As education companies fight for space in the digital learning market, one of the biggest and most controversial players in the school industry is betting that a simple strategy—changing the name of a line of products and services—will give it an edge.

K12 Inc., the publicly traded virtual education provider, says the rebranding move is meant to group a number of similar resources under a single, marketable banner, Fuel Education—and not to distance those offerings from a recent spate of critical news reports affecting the company as a whole.

The Herndon, Va.-based company is probably best known as an operator of online schools. It manages schools and offers blended learning programs in more than 30 states and enrolls about 125,000 students. But it also sells numerous other online and blended learning curricular products and instructional services, and the company says the rebranding is bringing together a number of related offerings—collectively accounting for less than 10 percent of its business—under the new name.

Fuel Education will operate as a separate legal entity owned by K12, and house several different “personalized learning” platforms, as well as teacher professional development, consulting, and Web-based courses.

In making that change, K12 is following a long tradition of rebranding by companies across different markets—in some cases after facing criticism, in others because they wanted to change their public faces to reflect growth or new products and services.

At the same time, the dynamics can be somewhat different in the education market, where companies typically have to navigate strict procurement processes before they can reach the end-users of their products: teachers and students.

A savvy rebranding can help a company overhaul its image and put it in a stronger position to reach new audiences, while a misstep can undermine, confuse, or alienate customers and consequently weaken its standing in the market.

Gregg Levin, the general manager of Fuel Education, said in an interview that K12 Inc. officials...
had been planning for years to rebrand the products focused on personalized learning under one name, to make it easier to sell them in schools. Recent criticism of the company and its performance, he insisted, had nothing to do with the name change.

Previously, "we were a collection of a variety of brands," said Mr. Levin, who until recently was a vice president of K12. "It made it challenging for our internal folks and for the marketplace to understand what we did; ... it was confusing to the buyer."

Critics of the company will likely "draw their own conclusions about what we've done," he said, but the reality is that "this has been building for some time."

**Recent Struggles**

K12, which reported revenues of $848 million in fiscal 2013, has long been a focal point in the debate over the role of for-profit companies in education, particularly as it relates to the management of schools.

The company and its backers argue that it fills an important, often unmet need by providing flexible and customized online services to students who struggle or otherwise aren't comfortable in brick-and-mortar schools.

K12's detractors point to its students' lackluster showing on state tests, and to complaints about its business practices as reasons to be skeptical of its role.

The company has weathered a wave of bad publicity recently. Last year it settled a federal lawsuit by investors who had claimed they were misled by the company about its students' academic performance and its business practices, though K12 denied the allegations put forward. In September, a prominent hedge fund investor, Whitney R. Tilson, offered a broad critique of K12, in which he said its stock was overvalued.

And in October, company officials reported disappointing enrollment and financial numbers, soon followed by a big drop in K12's stock price, and it has remained relatively stable since then.

In announcing the launch of Fuel Education in February, K12 officials said that some of the products and services under the new brand had been part of a business line within the company since 2009, though others had been in existence well before then. Those offerings were expanding, Mr. Levin said, and some of that growth was based on K12's acquisition of other companies, such as its 2010 pickup of KC Distance
Math

The ed-tech company ditched its name in 2012 in favor of a brand leaders of the Pittsburgh, Pa.-based company were convinced better reflects their product’s power to cultivate higher-order thinking skills, and help students with common-core math lessons.

Source: Education Week

Learning, a Portland, Ore.-based company where he used to work.

But in trying to sell so many products to school districts under a scattering of different names, the company ended up "tripping over the brand references," Mr. Levin said, and K12 officials decided a rebranding was in order.

That process involved K12's marketing, sales, and legal departments, senior executives, and outsiders, including district officials. Ultimately, up to 75 people were involved, said Bruce Lovett, the vice president of marketing for Fuel Education. K12 officials probably considered 75 to 100 different names, he said, before whittling it down to about 10 finalists, and settling on Fuel Education.

While it's reasonable to assume that recent public scrutiny may have influenced K12 Inc.'s decision to create the Fuel Education brand, criticism of the company is hardly new, said Trace A. Urdan, a senior analyst at Wells Fargo Securities in San Francisco. Other, bigger factors more likely drove the change, he said—one of which is the potential growth in the area of digital content, separate from K12's school management business, Mr. Urdan said.

At the same time, company officials recognize that the digital-content landscape is crowded and competitive, and that district officials "just don't have the time or bandwidth to consider every solution coming at them," Mr. Urban said. Creating a clearer brand could help, he said.

Online curriculum and instructional services are "a part of the market that everybody believes is growing," Mr. Urban said, and given K12's knowledge of the landscape, "they really ought to be good at this. ... There's some pressure on this [part of their] business to perform."

Organizations in education and other industries typically rebrand to respond to consumer demands and competition, and to better reflect the products they offer, said Julie Purser, a senior engagement manager for Prophet, a worldwide company based in San Francisco that consults on branding.

New brands need to be seen as authentic and believable, appealing to customers, and should "create clarity" about the services being offered, Ms. Purser said.

But there is also a risk of going too far. If a company has a recognizable brand name, she said, it needs to consider "what happens if we walk away from the equity we have in the name already?"

Selective Strategies

Those considerations were in play when Edison Schools Inc., a major for-profit operator of schools, decided to rebrand in 2008 as EdisonLearning, recalled Michael Serpe, a spokesman for the company.

At the time, Edison Schools was shifting away from school management into a broader array of online services and curriculum. Like K12 Inc., the business had taken heat for its record in managing schools, criticism it regarded as off-base. Even so, some voices within the company argued for a clear break from the organization's name, Mr. Serpe said.

Ultimately, however, the feeling was that "just changing the name wasn't going to change the perception of the company" among its backers or detractors, he said. Company officials decided
that a slight change would better capture the Knoxville, Tenn.-based company's new focus.

With the Edison name, the company had a "legacy there within the school and school reform movement," Mr. Serpe said.

For another company that chose to rebrand, Apangea Learning, the importance of getting the name change right weighed heavily on the leaders of the company, a provider of adaptive math instruction.

The company wanted a new name that conveyed company officials' belief that their product nurtured higher-order thinking skills in students—and signaled that it had revised its offerings to align with the common-core standards, said Peter Cipkowski, the vice president of education for what is now called Think Through Math, based in Pittsburgh.

"It was really starting over," Mr. Cipkowski said. "No question, it was the single most important decision a company like ours could make."

Even companies that have well-established names in education sometimes feel compelled to rebrand. That was the case for PLATO Learning, a developer of courseware, online credit-recovery courses, and academic-intervention products. PLATO had expanded into other areas of the ed-tech market, partly through purchases of other companies.

In 2012, the Bloomington, Minn.-based company changed its name to Edmentum.

The name PLATO was ultimately "a brand that resonated with only part of the market," explained Vin Riera, the company's CEO, adding that "the brand equity of the other companies we bought were just as meaningful."

While establishing a clear identity in the market is important, it's also important to recognize that the school market is more insular than those for consumer products, said Mr. Urdan, the analyst at Wells Fargo Securities.

While a brand name can help a company, district officials tend to rely heavily on connections and pitches from people and businesses they know—a leading source of frustration among startup executives and other entrepreneurs trying to break into the field, he said.

Ultimately, "the school market is about relationships" and is "slow to change," Mr. Urdan said. "The rebranding is less significant than if you're selling something like toothpaste."

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