

Brand Building

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■ What is a Brand?

Brands can be defined loosely as the sum total of all impressions of your company. It is more than the products, packaging and advertising. These are key building blocks to be sure, but the brand consists of what these and other factors contribute to the overall feeling the customer has about your company and your products.

What factors determine your brand and are important to your customers? First, there are the functional benefits – the tangible features of your product offering. Besides the functional benefits, there are also a set of intangible perceptions or feelings that people have about the brands they either like or don't like. These are typically the stronger associations.

The principles for branding are at play in every business. People can summarize any brand they are familiar with in a simple statement and can use qualifiers to explain their perceptions. The importance (and challenge) of branding lies in ensuring that these associations are unique, meaningful, positive and ultimately drive customer purchasing decisions.

■ Brand Building Requires a Holistic Approach

Customers are getting better and better at seeing through empty brand promises. Branding is often viewed cynically as simply window dressing – a new logo design or a fresh ad campaign. If your brand isn't connected with what's going on in the rest of your organization, your customer will, at best, ignore you or, at worst, scorn you. That's what happens with branding that doesn't pervade the organization.

A powerful brand strategy affects all areas of your organization from customer service to point of sale, merchandising to packaging and advertising. Branding then, is a central organizing principle that drives all functions of the company. A well articulated brand drives not only the marketing function, but also focuses other activities and resources.

Commonly held beliefs	Brand reality
Brand is the visual identity	Brand is all actions that directly or indirectly affect the customer
Compelling advertising builds great brands	Superior value proposition builds great brands
Awareness is first	Differentiation is first
Business plan drives the organization	Brand strategy drives the organization
Marketing owns the brand	Executive team and everyone in the organization owns the brand
Marketing and brand management are one and the same	Each requires a different focus, but they must be integrated

How do you drive your brand position forward? If you consider that your brand consists of all the perceptions your company has, the task can appear daunting – at first. As seen in the table above, advertising can not build the brand unless the value proposition is in place first. You can't promote who you are until you can deliver on it. Once your brand position is determined, align your people, systems and processes around delivering the brand promise to your customers. The marketing plan then follows.

An ordered approach to brand development is to:

- Identify the desired brand position
- Become the brand promise
- Promote your brand

■ Branding Principles are Universal

If you are being perceived, you have a brand position and the principles of branding – differentiation, credibility, relevance and authenticity – affect you. Whether you consciously manage your brand or not, you are subject to its principles. Your brand should be the most valuable asset of your company. You can choose not to manage your brand - your competitors and critics will be happy to do it for you.

Brand building is a managed approach. Sophisticated competitors are managing their brands and will have considered your position and will be your most significant competitive threat. They have a strategy to position themselves effectively against you. As your brand becomes strongly entrenched, it becomes increasingly difficult and expensive for your competitor to move you out of that position.

■ Differentiation is Essential

Branding deals with the basis for customer choice – differentiation. People can summarize any brand they're familiar with in a simple statement. We do this intuitively. People can then answer why they believe that statement and will do so with a few simple qualifiers. The goal of branding is to ensure that these associations are unique, meaningful, positive and ultimately drive customer purchasing decisions.

For markets that are viewed as commoditized, the need for differentiation is even greater. Additionally, in these markets, product attributes can not usually be relied on to provide sufficient differentiation. Less tangible attributes such as services, quality, and reliability may be used, but the most powerful connections, as in most other markets, continue to be emotional attachments. An example of this approach is to tie the subtle aspects of Alberta – the rolling grasslands and clean wide open spaces – to beef, a product that arguably is a commodity.

■ Brand Benefits are Central to Success

Consider the benefits of effective branding. Generating a strong brand that customers prefer leads to either a price premium with associated higher margins or to increased volumes and market share at price parity. Additional benefits include accelerated growth, the ability to block competition, lower customer turnover which enables lower marketing costs and opportunities to extend the brand.

■ Consider All Audiences

Much of the discussion so far relates to end consumers, but other groups also have perceptions of your brand. Employees, retailers, distributors and others all have their own ideas about your company and what it represents. And each of these groups can have a powerful influence on how your company is presented and promoted. A key step in developing brand strategy is to identify each of your key audiences and the objectives and distinct messages you have for the specific segment.

■ Consider the Entire Customer Experience

Trying to retain customers is futile if a company's performance doesn't live up to its brand promise. The customer experience must match the brand promise. How things are done truly matters, not just what things are done. Again, business strategy and branding must work in tandem.

Putting your brand into practice requires ensuring your brand promise is consistent with the interactions you have with your customers. It involves aspects as diverse as product/service development, administration, customer service, merchandising, information technology, marketing, corporate stewardship, sales activities and others.

A customer experience audit must be conducted. It reviews processes, interaction and communication touching the customer. This enables you to identify issues and determine priorities. Internal research with affected stakeholders can provide valuable insight with those on the customer front line. Customer research adds another layer of learning to help direct implementation efforts. As the improvements become visible to your customers, reinforce your brand position with effective marketing communications.

■ The Role of Research

The most successful brands are developed based on a solid understanding of consumer motivations and perceptions and managed based on ongoing monitoring of brand strength and positioning. Trying to establish your brand without understanding your customers is, at best, expensive guess-work. Effective research enables you to validate the brand position, avoid misguided efforts and ensure the brand promise connects with your audiences.

Qualitative research techniques, such as focus groups, depth interviews or customer experience panels, help get beneath the "surface" responses.

Surveys and other quantitative techniques work well to measure the extent of brand perceptions and get a handle on the size of the opportunity that is present.

These various types of research enable you to answer the basic questions that shape your brand strategy.

Who are you?

Each company operates within a set of parameters. Its past shapes how customers currently view the company and into what it can develop. For example, it would be quite a stretch for European car-maker Lada to start producing and marketing a line of luxury sedans.

Who are your customers?

Knowing who your customers are will help avoid costly missteps as you approach the market. Imagine, if you will, the difficulty of knowing where to position a product like Geritol Extreme. The more difficult task is to understand the less obvious but equally important intangible needs of the customer.

Who are your competitors?

Understanding competitors' positioning and offerings enables you to determine your response and avoid the trap of "better sameness" – doing what they're doing, only better. If branding supports the predisposition for the customer to make a choice, genuine differences are essential.

How do you fit?

We have found that a well-defined meaningful brand position becomes readily apparent when we apply strategic insight to the knowledge gained from answering the first three questions. Consistent marketing and business strategies are the outcomes from the brand position.

■ Pitfalls and watch-outs

Inadequate resources

Solution: Establish baseline commitment

- Prioritize and focus resources
- Accept long-term nature of brand building

Lack of understanding with employees

Solution:

- Simplify, make it relevant and contextual
- Involve employees in the process
- Training should include brand tenets
- Create internal brand emissaries
- Ongoing communication
- Consistency

Brand standards aberrations

Solution:

- Establish point person
- Document brand policy/standards manual
- Include content beyond visual standards
- Disciplined enforcement, zero tolerance
- Consistency

Initial messages and efforts lack credibility

Solution:

- Know what customers and employees think
- Be realistic about where you're at
- Use as starting point, build from there
- Think: authentic and credible

Failure to measure progress

Solution:

- Establish benchmark
- Need to remain connected to the market
- Conduct periodic brand research
- Monitor competitive position
- Drive findings into company

Faltering commitment

Solution:

- Leadership
- Ongoing measurement
- Evolve strategy over time
- Mark progress
- Commit required resources

■ Conclusion

The principle that your brand drives your entire organization means that the CEO must own and manage the brand. If the mindset is that branding is simply a function of marketing, functions such as operations, customer service and administration are left out of delivering the brand. Unfortunately, customers don't draw those same distinctions. They see all of the company's functions as a single entity.

Because of this holistic reality of the brand experience, management of the brand must emanate from a senior level to influence all aspects of the organization.