

Branding
is not an
option

Branding

Branding is about cultural relevance
and emotional connection. Not hype!
- Marc Gobe

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There's a lot of hype about brands and branding. Much of it is just that. Hype. Let's cut the hype and look at the reasons why every business needs to build their brand. Because a brand is not something nice to have after you do everything else. It's an integral part of building a successful business.

Brands are the way we make sense of the world of commerce. Brands help us decide who to trust and what to buy. They help us recognize patterns, familiarity. Gain comfort through repeated use. And brands that disappoint give us the reminder to stay away. Create value by generating demand and securing future business earnings. You can't be a me too and succeed any more. It's too crowded. But no matter how crowded the niche you're in, you can differentiate yourself. You can become a brand people care about.

You brand because people need a simple way to find you. You brand to be found by the right people. To stand out amongst sameness. Your brand tells people whether you're right for them.

Prediction: Brand will
become the most powerful
strategic tool since the
spreadsheet.

- Marty Neumeier

You brand to become the only choice for which there's no substitute.

Choice is everywhere. You've got to be different. Just like everyone else. We're faced with far too many choices and little time to evaluate the best options. We need brands to help us quickly make relevant choices. When everything's a commodity, how else can you stand out?

It's not quality. Quality is everywhere so you can't stand out there. But if you don't have quality baked in, do that first. Everyone expects it.

You brand to put a picture in their mind by the mere mention of your name. If you don't brand yourself. They will. We identify things by recognition. By attaching labels and descriptions. Brands need to describe themselves in just a few words. People need to be able to grasp your brand in a few words. If it takes too many, they'll give up and go to brands that do. Think in terms of sound bites. Can you tell people what you do in a sound bite? Think about The ultimate driving machine, or The world on time. Do you know who owns them? What pictures popped into your mind?

A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well.

- Jeff Bezos

Did you think of BMW and FedEx? To be seen as the only choice in a sea of choices requires a strong brand personality. One that's visual, verbal and sensory. One that's well-designed to the core. Not just veneer.

You know OXO - those utensils with the fat rubber handles? Pretty tough to compete with that if you too want to offer fat rubber handles. How would you do it differently?

Your brand gives people a way to find you.

Think about W Hotels and how they're different. What they stand for. How you might feel when you're there. Now think about Travelodge - for most of us, we wouldn't stay there unless it was one of the ONLY choices available. But think about how they could reinvent themselves to be really cool and a good value. They could do it if they really wanted to invest in their brand.

It is a pretty recognizable brand name. Originally it was Jerry's Guide to the World Wide Web but we settled on Yahoo .

- Jerry Yang

You brand to charge higher prices.

You brand to be profitable. You brand so you don't have to compete solely on price. It gives you something else to talk about. Unless you're Wal Mart, it's tough to lead on price - pretty easy for someone to undercut your position. Wal Mart certainly will. You better to compete on value. Customers will pay more if they believe you offer them a better produce or service. Or using you makes them feel good. Or feel important.

If you charge only low prices, you're more vulnerable to market forces. You become just a commodity and lose. Think about how a local mom 'n pop general store would compete with Wal Mart in their town. Certainly not on lowest price. The only way is by delivering an incredible level of service and a sense of community. By making customers feel so welcome and solving their needs better than Wal Mart. Wal Mart forces similar stores to reinvent themselves or face extinction each time they enter a market. Sad but true. Target succeeds because they combine low prices with great design and fashion, but Wal Mart's closing in on that angle as well.

Our success is a direct
result of knowing how to
market a brand and having
the right people
representing the brand.

-Greg Norman

Strong brands allow you to price higher which increases profitability. Which makes it easier to reinvest in your business. To continue innovating for long term sustainability. And when you deliver a greater return on value, price becomes even more irrelevant. A customer doesn't care how much better you made your product if it still doesn't deliver. Or how hard you worked on it. They only care about what's it does for them. When you think about your brand, envision your customer. Think about what makes them tick. What sparks their emotions. Brand accordingly.

You Brand to become a habit. Gain top of mind awareness to make it easy to choose your product fast. In Blink by Malcolm Gladwell about the power of thinking without thinking he demonstrates the power of split decisions.

Customers don't buy what
we think we sell them.

- Peter Drucker

You brand to become an employer of choice.

You brand to give your employees a platform from which to talk to customers. To show them how to talk and what to talk about. Not scripts per se, but common themes or stories. Your brand helps you attract employees that fit with you culture and who are naturally more likely to live your brand. It shows them how to treat your customers. And it also gives you a yardstick to measure those who don't fit your culture and avoid bad hires.

When you have a great brand and people think of you first, you'll attract the best talent. People will want to work for you longer. You'll face lower turnover which reduces your hiring costs and increases your ability to grow your brand. Because you'll have passionate employees who also care about your success, they'll take pride in working for you. But you need that strong foundation first. And you need to deliver on your brand promise to your employees.

Building a brand people

trust is an asset.

- Seth Godin

Unless you're the Soup Nazi you likely don't want to treat people poorly. Here's a hint - treat your employees well - with respect - and that spills over into how they treat your customers. It's that simple. But yet so hard for so many companies. So What makes up a killer brand? It's the customer economy now. So you build your brand by creating memorable experiences which keeps customers coming back. You do it by making them feel better and look better. Imagine as a service provider making your customer look good to their boss. Isn't that more important than low price? Especially if the low price doesn't deliver results. Bosses don't want to hear "but it was cheaper". Bosses care about results. Just like you do.

Instead of acquiring more material goods,
people want to spend money to create
quality time for themselves.

- Marc Gobe

The best brands deliver quality of time.

Time is free but once gone, you can never get it back. Make time with your brand well spent and your customers will love you.

Customers have a lot of power today. Reviews can shape your brand more than positioning. That's why you need to carve out a strong position then deliver on that, creating great reviews. And if you get a bad review, hit it head on. Don't duck accountability or make excuses. That's what kills a brand. A Bain & Company study found that satisfied customers tell 4-5 people; unsatisfied customers 8 - 13 and continue to discussing unhappiness for up to 23 years. Yikes.

Welcome to the customer economy. According to Forrester Research, the customer economy is shaped by customers who demand better products at lower prices, higher levels of service in routine business, satisfying experiences and access at any moment. It's more difficult to replace customers today. To win, you need to maximize your relationships. Are you there yet?

There is no such thing as a commodity. Only people who act and think like commodities.

- Ted Levitt

Strong brands have six characteristics:

ATTENTION - something that's getting more valuable and harder to capture. Because people don't have enough time for everything they get hit up with. Let alone keep up with their daily to do's. Get attention by being relevant - matching customer interests at the appropriate time.

TRUST - you build it by delivering value, consistency. Without trust you can't connect with your customers. And you can never take that trust for granted. Volvo damaged their brand in the early 90's when they weakened the pillars of other cars and strengthened theirs for a TV spot in which a truck drove over the tops of the cars.

LOYALTY - HBR estimates that attracting new customers costs 5 - 10 times more than keeping a current one. How do you do that? By branding. Satisfied customers refer new ones. Loyal customers spend an average of 3 - 20 time more than non loyal customers.

Great brands transcend great products.
They respect the timeless human search
for people, places, products and services
that are relevant and compelling.

- Scott Bedbury

EVANGELISM - customers you've delighted so much they can't wait to spread the word. And word of mouth is far more powerful than any advertising you can do. But you need to fire on all fronts to get there. You need to show up to the market where your customers play. And you do that through your brand.

PROFITABILITY - A strong brand is profitable. Price with discipline - think about customer perceptions - contribution margin - difference between unit sales price and variable costs for producing it. (i.e. gross profit) = profit from selling one more; above what's necessary to recover incremental variable cost of sale. Maximize contribution margin, not sales or market share to be profitable. Value is all you have to sell. Don't give it away through poor pricing.

GREAT SERVICE - Seems so simple, but yet so few companies really deliver. When was the last time you called customer support or "customer care" and talked with a live person without 7 layers of menus who actually listened to you. Then resolved your problem.

Any damn fool can put on
a deal, but it takes genius,
faith and perseverance to
create a brand.

- David Ogilvy

I had an experience with Volkswagen Roadside assistance where they were great in telling me what I needed to do for reimbursement on a tow and car rental, but then denied payment and resulted in a six-month quest to get them to do what they said they'd do in the beginning.

And had it not been for my dogged persistence Volkswagen never would have delivered. And while they outsourced this service to a third party, it doesn't make me want to buy another Volkswagen.

Or how about the Verizon rep who told my wife when she called regarding a \$350 error on her phone bill that “there are more important problems in the world than your phone bill”. Service is where your brand image meets the road. Without it, your brand promises ring hollow and you don't get the trust, loyalty and evangelism that leads to repeat business.

The heart drives purchases. Logic rationalizes them.

It doesn't matter whether you're selling to consumers or business to business. Or whether your product is \$10 or \$1,000,000. People buy based on their emotional connection with you. When you're selling a \$1,000,000 product to a business, the buyer is often betting their career on choosing you. They choose based on trust, intuition and justify it with data.

No purchase is completely objective. Why do you think business people spend a lot of time on the golf course? Think it's all about facts and figures? Hardly. It's about relationships. And relationships are not rational. You create a brand for the heart and back it up by delivering on your promise.

You brand to become the choice for which there's no substitute.

Sometimes you need a little help building your brand.



Brand for Profit is a high-intensity workshop for companies that need a brand playbook that really works. Led by branding expert P.K. Prothe, it cuts through the hype to uncover the core essence of a brand – and creates the platform that helps companies become the dominant brand in their niche.

Brainium



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