CHAPTER 4

Acceleration Through Branding

A journey of a thousand miles begins with a single step.

Confucius

In the previous chapters we provided you with a lot of information about the **basics of branding and brand specialties**. If your mind is now filled with questions like, "How do I implement this? What do I have to do first? How is it different from what I am already doing?" Don't worry – we understand. To talk about something in theory is entirely different from putting this theory into real practice. In answer to your questions, we will now turn to everything that lies ahead of you: The practical implementation of a holistic brand strategy.

In order to achieve **Acceleration Through Branding** brand architects have to be able to see the big picture. A holistic brand approach must reflect corporate values and characteristics if it is to function as the verbalized essence and visual embodiment of what a business stands for.

Creating Value

It is no wonder that so many branding efforts fail. Unless a company has a multi-million dollar budget, it has to know exactly what is important and what needs to be done for the brand to make the effort successful. Many companies tend to focus on profit maximization rather than on shareholder value maximization. We think

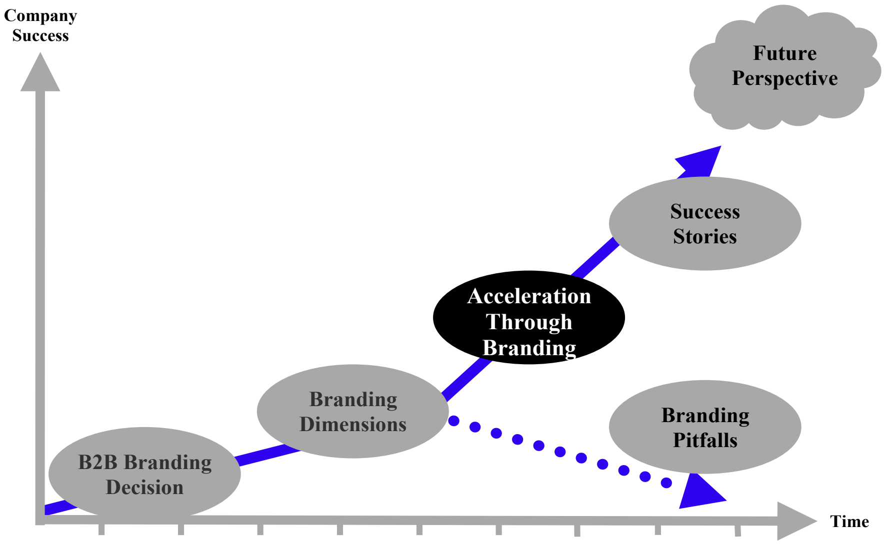

Fig. 39. Guiding principle acceleration through branding

that profit maximization leads to short-term planning whereas any brand building exercise requires a **long term view**. Measuring profit performance using ROI (return on investment) has two problems: First, profits are arbitrarily measured and subject to manipulation; cash flow is more important. Second, investments ignore the real value of the firm, and brands as one of the main value drivers.

A company's real value resides more in its intangible marketing assets: brands, market knowledge, customer relationships, distribution coverage, intellectual property, and partner relationships, as in its balance sheet. These assets are the drivers of long-term profits and they have to demonstrate their impact on **shareholder value** with brand typically being the most important one of them. When management chooses to apply shareholder value analysis to see which alternative course of action will maximize share value, they are on the right track. With a management process in place which goes through the various stages of brand development and brand controlling, one can see clearly how much brand investments contributes to shareholder value.[1]

Many managers are aware of the power of branding, even from their first few years with the company. As J. Justus Schneider, Brand manager of *Mercedes-Benz* admits, "The brand *Mercedes-Benz* is a brand icon, from its founding day till today." Still, the management and the methods of this fascination has to be experienced and learned.[2] The branding process has an aura of execution and uniqueness which lead to much greater business success. To accelerate a brand to the top may take a hundred years as in the case of *Mercedes-Benz*.[3] In the case of *Google*, *eBay* and *Amazon*, it took just a decade to accomplish this. Today's challenge is not only to be known, but to be known around the globe for a sustained period of time. That success is in all cases the result of hard and consistent work.

Brand Building Process

We suggest selecting a brand building approach that incorporates all the relevant processes necessary for building a brand icon. Ideally, the branding initiative comes from top management – the CEO, CMO, or CBO gearing to establish the brand strength, including **brand stability, brand leadership** and **international presence**. Positive guidance from top management and its contribution to the brand building process is indispensable for the effort to be recognized world wide. Unfortunately, this doesn't happen often enough in B2B companies. Quite often, a good amount of convincing work is necessary to bring top management to buy into the idea of branding.

The founders or managers of *Microsoft*, *IBM*, *GE*, and *Intel* had the guts to buy into the idea, and they have been **richly rewarded**. There is no doubt that US-American management has the competency capable of leading their companies to the top. Their brands show excellent clarity, consistency, and leadership. Currently, no other country has so many successful company brands. To guide a brand along these three dimensions for a long period of time is a challenging task. Not too many brands can show consistent long-term success. Only a few brands can in addition **demonstrate brand authenticity**.

Brand building, brand consolidation, and brand expansion need the dimensions of clarity, consistency, and leadership adapted to the surrounding conditions, with special attention to competition and technology. Instead of expecting total consistency across all countries, you should work on the reduction of the differences. Some brands even have to live with paradoxes like being a luxury consumer brand and a quality business brand, e.g. *Mercedes-Benz* with its passenger cars and trucks, *Nokia* with telecommunication systems and mobile phones and *Rolls-Royce* with high-end limousines and aircraft jet engines. Although in many cases the actual development of the brand was based on luck and accidents, particularly in the early days of industrial companies, only an application of solid brand knowledge is creating powerful market leaders today and will do so tomorrow.

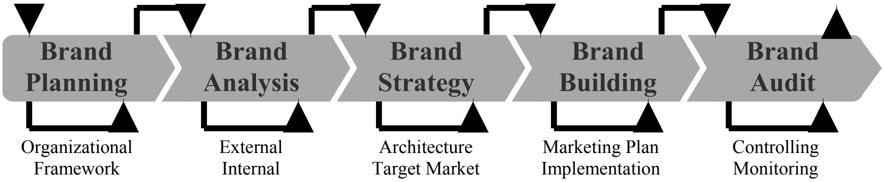

Fig. 40. Sequence of the brand building processes

To get all these dimensions (clarity, consistency, and leadership) in line with a long term view, we suggest the following process, consisting of the following five steps: brand planning, brand analysis, brand strategy, brand building, and brand audit (see Fig. 40).

4.1 Brand Planning

Since brand targets create long-term results, brand planning should always integrate the big picture. Key issues for brand planning therefore include achieving a good balance between **continuity and involvement.** Most companies develop marketing, sales plans, and strategic plans but not brand plans. This overlooked area is often the reason why many brands never reach up to their full potential.

To keep your company and your brand(s) focused, brand planning should be included in future business planning. Big brand changes usually don't happen overnight. You have to induce gradual processes over time rather than have one annual action plan. In order to achieve continuity and involvement, you have to integrate the following processes, steps and procedures within your organization:

Build **a climate of ongoing change**, freeing up management time for brand strategy discussions. (Most managers have a preference for discussing tactics over strategy.)

Have **processes that deliver timely information**, including the reporting of strong and weak opportunity/threat signals about the brand position, the brand identity.

Develop **procedures for rapid breakthrough planning**, based on a profound analysis of the brand situation including size of market, growth potential, distribution channels, market dynamics and trends, customer profiles, current and emerging competition and last, but not least, profit potential.

Have **standard formats for communicating brand plans and changes**. This is where business score cards are very effective. Based on clear business objectives and scenarios they help identifying known and unknown road blocks.

Have strong **implementation processes**. Activities in the overall context have to be de-resourced as well as resourced, and reward and recognition schemes must be adapted. We call this a **Branding Program** which includes current and future brands, appropriate extensions or potentials for incremental growth. All other brand support programs are included here. This action plan for implementation assumes the rollout and long-term management of the brand.

Involve everyone in the planning. One of the main reasons why brand plans fail is that only a clique of people was involved in generating them in the first place. Involvement motivates commitment. In the electronic age, there are some excellent tools which can quickly distribute and solicit information across even the largest companies.

Before we go on, we want to mention some important branding principles that enhance long-term brand success.

Branding Principles

Maybe you have already heard of the "three C's" of branding which refer to the indispensable conditions that precede successful branding. For the purpose of completeness we have added a fourth and fifth branding principle:

- Consistency
- Clarity
- Continuity
- Visibility
- Authenticity

Consistency is the most important branding rule for B2B companies, yet there are still too many companies that fail to provide consistency throughout all relevant touch points. It is necessary for all relevant dimensions, not only concerning the product, but also in the marketing channels, and even in the way the employees answer the phone or respond to a customer complaint. Social responsibility and investment planning are also part of this. Of course, consistency in your brand strategy is not as effective as it could be if the other branding principles are not covered.

Clarity in branding is essential because without clarity there is no true brand. Customers and stakeholders should be able to clearly understand who the company and it's brand(s) are and what they are not. Brand clarity is based on the company's vision, mission, and values, which is easily understood and easy to adopt. They are unique and have relevance for the deciders, users, and sometimes even the public.

The branding rule of **continuity** implies that a company shouldn't change what it stands for just for the sake of change. Strong brands are continuously managed. People rely on them and trust them because they know what to expect.

It is not enough to live up to these rules consistently if you are not always visible to your target audience. Brand **visibility** which increases exposure of the brand to the consumer's eye is important to accomplish a greater brand mindshare. Marketing dollars should be pumped into the best channels, making sure that collaterals are placed at points where customer attention and retention is high.

Finally, brand **authenticity** is directed towards the thinking and acting of everybody in the company with the focus of creating originality and the feeling for the customer to own, use, or direct a unique treasure, even if this takes place subconsciously.

Another important factor many brands are aspiring to is **brand leadership** – to lead the pack. It is the most important factor for long term brand value increase which includes the management of brand expectations, the fulfillment beyond expectations, and the guidance of customers to new heights concerning the company's products and services. In the long run, this could lead to the reinvention of the brand and the company in question.

We agree with Alicia Clegg that "brands that aspire to be contemporary classics have to work on many levels. First and foremost, the product needs integrity, some special quality that sets it apart. But having a 'story' to tell, something that fixes a brand's identity in people's imagination and gets across what it stands for is crucially important too."[4] But we disagree with her statement that "whether the story is made up, or rooted in fact, is beside the point. Like fable in folklore, what matters is that the brand's mythology has the power to intrigue and to draw people in."[5] We contend that the power to create need has to be based on something genuine. Numerous "brand accidents" have shown that **nothing stands the test of time better than the truth**.

4.2 Brand Analysis

Brand building does not begin with the immediate choice of all the various brand elements that need to be defined. Rather, it starts with market research. To conduct thorough market research is one of the most important elements when building a brand. The development of a brand identity should always be supported by a customer analysis, a competitor analysis, and a self-analysis.

Basic decisions related to strategic brand management should always be supported by information relating to the company and the environment it operates in. In chapter 2.2 we talked about the importance of clarifying the **brand relevance** in your respective markets. In most cases, the real challenge is to discover rather than invent what could later be the core values of your brand. Industrial companies can gain significant insights from their close interactions with customers, positioning themselves to effectively help their customers.

To define and formulate a proper **brand mission**, **personality**, and **brand values** aligned to the corporate vision and mission is mandatory for devising an effective and focused brand strategy. You have to answer the following questions:

- Who are you?
- What is important to you?
- What does your company stand for?
- What is important to your customers?
- What distinguishes you from competition?
- Where and what do you want to be in five years?

The starting point of every brand strategy is to work out what the company stands for. Thorough brand analysis is necessary to give the right answers to all these questions and many more. Internal and external market research is therefore the first step toward creating a brand.

What is marketing research? Well, it is definitely not about compiling a lot of statistics and graphs that are presented once and then laid to rest in a cabinet. If companies do market research they should also be able to analyze and evaluate the results. Many companies waste their efforts in market research because the results are only used to answer one specific question of one specific department (usually marketing). If the company failed to ask the right questions or doesn't even include execution strategies, the market research ends up completely useless.

The questions above only facilitate placing the right questions. To do **effective market research** means you have to know your business, your products and services, your brands, your employees, your competition, and your industry well. Quite often, effective market research can bring up completely new perspectives to companies. When you discover that what customers regard as important is not at all what you think is important, it can even lead to an "ah hah" moment.

> **Brand building starts with understanding the key attributes of your products and services as well as understanding and anticipating the needs of your customers.**

The first step could be the measuring of the "Brand Share of Market", which is calculated as follows: **Brand Sales/Category Sales = Brand share**. This will show your position in relation to the other players in the market and could be used for a brand portfolio analysis, similar to the market-growth market-share matrix. The next step is creating the power of your brand by defining and developing each category:[6]

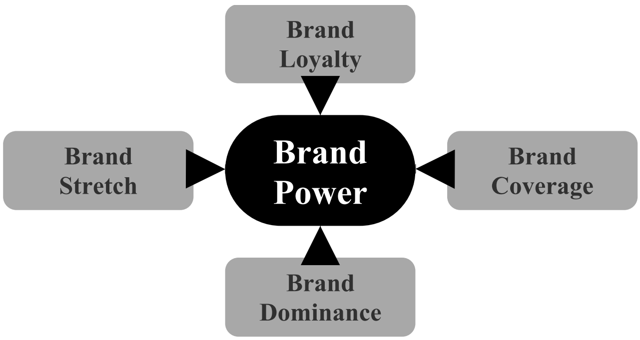

Fig. 41. Creating brand power

- **Brand Power**, as shown in Fig. 41, consists of four key elements which will be discussed below:
- **Brand Dominance** – The influence or dominance that a brand has over its category or market (more than just market-share).
- **Brand Stretch** – The stretch or extension that the brand has achieved in the past or is likely to achieve in the future (especially outside its original category).
- **Brand Coverage** – The breadth that the brand has achieved in terms of age spread, consumer types, and international appeal.
- **Brand Loyalty** – The degree of commitment that the brand has achieved among its customer base and beyond. It consists of the proximity, the intimacy, and the loyalty felt for the brand.

From the perspective of brand equity, much of the investment spending each year on the creation of brand power should be sought as an investment in consumer brand knowledge. The quality of the investment, not necessarily the quantity (beyond some minimal threshold amount) is critical when building a brand.

Brand equity arises from differences in consumer response to marketing activities. Brand knowledge is what consumers learned, felt, saw, heard, and experienced over time. The differential effect of brand knowledge is reflected in consumer perceptions, preferences, and behavior related to all aspects of the marketing of a brand. **The power of a brand lies in the customer mind set.** Brand equity is therefore a vital strategic bridge from the past to the future and a set of stored values that consumers associate with a product or service. These associations add value beyond the basic offering based on past investments in marketing the brand. They can be captured according to Keller's **Customer-Based Brand Equity** (CBBE) model as is shown in Fig. 42.

The CBBE model implies that a strong brand involves the customer over four steps:

(1) **Deep Broad Brand Awareness** – establishing a proper identity and awareness for the brand

(2) **Establishment of Points of Difference –** creating the appropriate brand meaning through strong, favorable, and unique brand associations

(3) **Positive Accessible Reactions** – eliciting positive, accessible brand responses

(4) **Forging Brand Relationships** – building relationships with customers characterized by intense, active loyalty

Achieving these four steps, in turn, involves establishing six brand-building blocks: brand salience, brand performance, brand imagery, customer judgments, customer emotions, and brand resonance. The most **valuable brand-building block, brand resonance**, occurs when all the other brand-building blocks are established. With true brand resonance, customers express a high degree of loyalty to the brand. They actively seek means to interact with the brand and share their experiences with others. Firms that are able to achieve brand resonance will be able to benefit from the whole spectrum of brand values (e.g. price premiums, high market share).

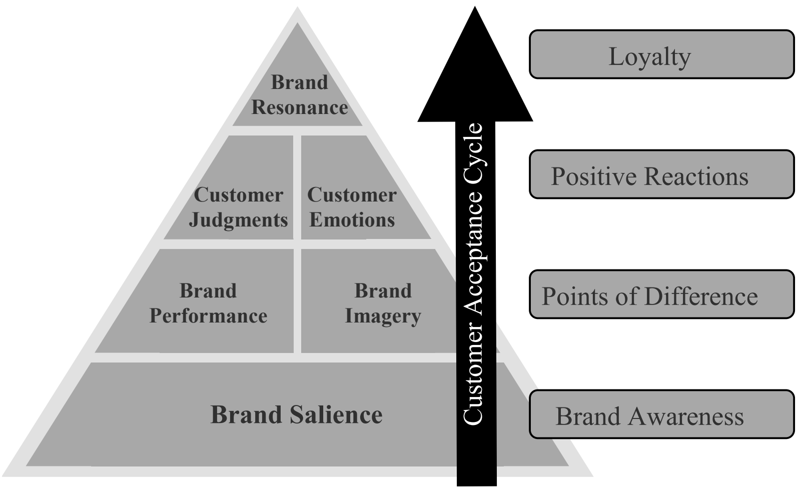

Fig. 42. Customer-based brand equity pyramid (CBBE model)

The key to branding is the triggering of a deep emotional response. This deep **emotional response** is often derived from the key benefit of using the product and the marketer wants to program into us. Many times, however, this deep emotional response has nothing to do with the product itself. It is more important to get a desired emotion linked to the product and thereby to the brand.

4.3 Brand Strategy

The brand is probably the most **powerful communications tool**, yet few organizations consciously create and use a brand identity (positioning statement, category descriptor, brand name, etc.) to market their products or services. According to Juck Peddis, the key to increasing the valuation of your company is in your ability to competitively brand it in the market.

Brand strategy is built on brand positioning, brand mission, brand value proposition (and personality), brand promise, and brand architecture. Chuck Pettis from *TechnoBrands* states[7]: “If people don’t remember your brand name, how are they going to find you and buy your product?” The first step in **effectively branding** an offer is to understand exactly what your customers want from you and giving it to them. “If nothing else, I beg you to go out to your customers, tell them why you think they should buy from you, and then ask them what they think,” pleads Peddis. But finding out what customers want is only the first step. Peddis also explains that you need to understand how people feel when they successfully use your product and exploit emotions connected to it. “Branding alters people’s perceptions of reality.” If you can get all this in your strategy, you are on the right track.

The branding strategy for a company can be described as the disposition of the number and nature of common and **distinctive brand elements** that a company applies throughout its organization. But in reality it is much more than just deciding upon the brand architecture. To devise a branding strategy involves the accurate and concise interpretation of the results of the preceding brand analysis.

In addition, when determining the direction of your brand strategy, you have to assess what is feasible and affordable in the first place. And let us state it again: The leadership and management of the brand has to be backed and supported by top management, otherwise it is not possible to really push a brand strategy up to the crest of the wave. Only then can you turn to deciding upon the nature of new and existing brand elements to be applied to new and existing products or the business itself.

The brand strategy is always based on the **brand core**, its **values, and associations**. The products and services are an intrinsic part of the brand as displayed on the left side of Figure 43. The content and the meaning of these dimensions both change over time, and they are guided by the management and its decisions. The definition of the current status and the future perspective are the big challenges of brand strategy building.[8] Consistency between the various aspects of the brand and company authenticity and the pressure from the market environment are **continuously challenging** the management. The need for economic viability and the investments for the brand value have to be considered in every marketing decision.

Mercedes-Benz

New challenges appear once in a while for companies, particularly when they become complacent or neglect their customers. This can happen to even the most prestigious brands, as it did for *Mercedes-Benz* in 1992. This was a year when *Mercedes-Benz* had to take drastic measures to get the brand for passenger cars and trucks back on track. In contrast to the 1980s when *Mercedes* engineering dominated the automobile market, the 1990s saw a demand by customers for smaller, more practical cars. Unfortunately, at this time, *Mercedes* was developing even bigger and bigger cars, culminating in the enormous S-Class of 1992. The demand for its cars decreased, the company failed to achieve its goals and found itself in a deep crisis.

A new CEO started a product initiative for doubling the number of products and started to listen to customers, targeted niche markets and started a branding initiative. The result was the *Mercedes-Benz's*

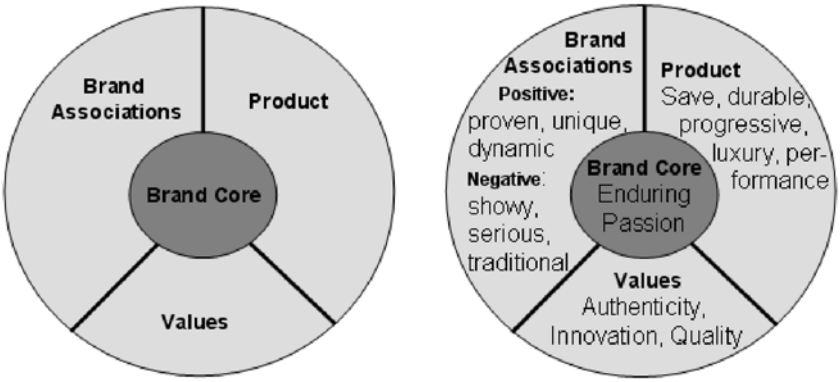

Fig. 43. Brand strategy model & *Mercedes-Benz* brand strategy[9]

new brand that emphasized the brand core with *Enduring Passion*, and became the most valuable achievement of the company that put everything else in line. Having moved away from the pure engineering focus of the company, not even the product design was as powerful as the brand; all advertisements and internal communication had the tagline: "The Future of the Automobile" and the passion had a future.

According to the brand model by Leslie Butterfield the core brand of *Mercedes-Benz* is enduring passion. Brand associations, product and values are shown in more detail on the right side of Figure 43.

Corporate or Product Branding?

One of the early decisions in B2B branding strategy is whether to focus on the corporate or the product brand. Do you want to raise the corporate umbrella or do you want to push product superiority?

Corporate branding employs the **same methodology and toolbox used in product branding**, but it also elevates the approach a step further into the board room, where additional issues around stakeholder relations (shareholders, media, competitors, governments and many others) can help the corporation benefit from a strong and well-managed corporate branding strategy. Not surprisingly, a strong and comprehensive corporate branding strategy requires a high level of personal attention and commitment from the CEO and the senior management to become fully effective and meet the objectives.

There are several benefits for employing a corporate branding strategy that a company can exploit. First of all, a strong corporate brand is no less or more than the face of the business strategy, portraying what the corporation aims at doing and what it wants to be known for in the market place. The corporate brand is the overall umbrella for the corporations' activities and encapsulates its brand dimensions.

Think of *HSBC*. The *HSBC Group* is named after its founding member, The Hong Kong and Shanghai Banking Corporation Limited, which was established in 1865 to finance the growing trade between China and Europe. The bank has recently implemented a successful stringent corporate branding strategy. *HSBC* employs the same common expression throughout the globe with a simple advertising strategy based on the slogan "The world's local bank." This creative platform enables the corporation to bridge between many cultural differences, and to portray many faces of the same strategy. **A corporate branding strategy creates simplicity;** it stands on top of the brand portfolio as the ultimate identifier of the corporation.

The philosophy or basic direction of impact of the brand strategy has to conform to what the company is doing. In many cases the nature of the products or services a company sells limits the decision as to how to brand. Therefore, the decision whether to set the main focus on a corporate or product brand strategy is made easier in B2B than in B2C.

The next important strategic decision is what Constantinos Markides from the London Business School calls:

> **"To be better or to be different**." [10]

He is of the opinion that "to be better" is the more difficult because you have to battle the competition continuously for the next product advantage. To be different is less difficult, in Markides' opinion; it could well be easier to find a way to be different, permanently.

Targeting and Positioning B2B Brands

The development of a positioning strategy is sometimes referred to as the most important discipline in brand management. Brand positioning literally means to "position" your brand in customers' minds in order to create certain desired associations in relation to competitive brands. Ideally, strong brands have a clear and unique position in the target markets. Consider the following automobiles with well-established positions:

- Detroit Diesel: "**well-engineered engines**"
- SGL Carbon Graphite: "**performance**"
- Draeger: "**safety**"

The major goal of marketing is undoubtedly to satisfy the customers' needs and make a profit along the way. Unfortunately, the needs of customers can differ tremendously from industry to industry. Therefore, different approaches are required to meet all the different needs. **Positioning brands** is about finding the right spot in customers' minds in order to create the desired associations. It is therefore absolutely crucial to know who your customers are and where to find them. Positioning always comes after clarifying and segmenting the target market; you just cannot position any product or service without knowing who you are targeting.

To clarify and segment the target market is usually much easier in B2B than in B2C markets. Quite often, B2B companies only have a handful of **important key accounts** that make up for the greater part of their turnover and profit. At the same time, it is also more important to clearly segment your target markets because the possibilities to differentiate one product from another are more restricted in B2B. An **effective segmentation** strategy can also create a competitive advantage in B2B markets.

Many business marketers neglect or poorly perform positioning concepts. Despite of calls for a clear brand positioning, it is often quite difficult to find a common denominator of largely diversified and very complex businesses. Companies that clearly fail at it create positioning statements full of empty phrases that are nothing more than "hot air". They not only lack substance in their positioning but usually also fail to bring their employees to act accordingly.[11]

Applying the "hedgehog concept" of Jim Collins for the brand positioning means that, "It is not a goal to be the best, not a strategy to be the best, not an intention to be the best and not a plan to be the best. It is an understanding of what you can be the best at."[12] This means that your target customer is most attracted to our brand essence, we understand him well and he is in the most profitable growth segment that we want to attract. Positioning is the act of designing the company's offer and image so that it occupies a distinct and valued place in the target consumer's minds. Brand positioning should be so clear, so succinct, and so powerful that once launched, it begins to move people toward your new **evolving brand**. It is all about identifying the optimal place of a brand relative to its competitors in the consumer's mind, and maximizing the company's potential benefit. Brand positioning is the heart of marketing strategy.

The principle of providing a consistent picture also means not changing or diluting the positioning. A brand can only have one true position. An effectively positioned brand communicates its core values to all **stakeholders, internally and externally**.[13] It is crucial to keep a strategic perspective since positioning a brand is not a tactical activity but rather a strategic process aimed at creating a sustainable competitive advantage.

The positioning statement draws on the strongest assets of the brand's equity and clarifies what the brand is all about. It shows the uniqueness and thus the point of difference. It explains why customers should buy and use the company's products and services and not the ones of a competitor. It also defines why the company addresses their needs better than competition. The questions to be answered are:

- Who are you going to give this positioning to?
- Who are you going to market your product to?

- What do they want and need?
- What customer insight is your positioning based on?

The ultimate task for brand positioning is to create the most powerful position you can own and feel passionate about and to direct the passion to the most profitable customer targets. Soni Simpson illustrates this kind of power positioning as shown in Fig. 44 as one "Where deep understanding of your brand equity or essence links directly to a core consumer insight or value."[14]

Fig. 44. Principles of power positioning

Brand Mission

An old saying goes, "If you don't know where you're going, how you will know when you've arrived?" This clearly illustrates how essential it is to articulate a clear brand mission statement that is **aligned with the corporate vision and mission**. Words can be a very powerful tool, but only if there is a true and reliable meaning behind them. Before a company can start to plan and implement a holistic branding approach it must first determine what it actually wants to accomplish.

The starting point of every brand strategy is to work out what the company stands for. For most corporate brands, leadership is an important part of the core brand identity since it can inspire employees and cooperators by setting an inspirational brand level. For customers on the other hand, leadership provides reassurance and security. It also implies high quality and innovative solutions. Leadership can be achieved along many dimensions: competence, innovation, quality, inspiration, success (by market share, etc.).[15]

A brand mission statement is the guiding idea behind the brand. It has to be a clear and ambitious, yet achievable business goal. This enables the brand to obtain authenticity. A brand mission statement is a benchmark for all management and employee decisions. Furthermore, it gives direction to customers, shareholders, and everyone else involved in the company.

Take *SAP* for example. The German business software company provides a range of complex enterprise resource systems (ERP) and related software solutions. In its brand mission statement, *SAP* clearly outlines what it wants to accomplish with its brand: "*SAP* helps make work become a more personally enjoyable and a rewarding experience." It is very aspiring to have a good mission statement that shows the commitment of the company to constantly improve and evolve.[16] The **brand values** that *SAP* wants to reflect are: a global culture, respect for the individual, integrity, partnership, and progressiveness.

Many branding strategies of B2B companies suffer from a lack of focus. It is necessary to focus on one clear benefit that distinguishes the company from the rest. B2B companies should abandon a wordy list of what they would like to be. Charles Mingus, an American jazz bassist and composer once said, "Making the simple complicated is commonplace; making the complicated simple, awesomely simple, that's creativity." [17]

Don't think that a brand mission is only for very large companies. Small and medium sized companies can easily start their own branding strategy. The following brand mission is from Oklahoma Steel & Wire, a mid-sized manufacturer of wires for agricultural and industrial markets with approximately 300 employees.[18]

> "Oklahoma Steel & Wire is committed to providing the highest quality products at the most competitive prices possible. We are driven to support our customers and the industry with unsurpassed standards of service and reliability. With these goals and commitments, Oklahoma Steel & Wire maintains an environment that promotes long term growth for our valued customers and the industry."

Brand Value Proposition

Which values are so important to your company that if they disappeared, your company would cease to exist as it is? Many companies disappear every year from the market place, so why does yours survive? Why do your customers trust you? Are you doing something right that other companies are not doing in the same way? What do you stand for?

The value proposition consists of the whole **cluster of benefits the company promises**. It is more than the core positioning of the offering.

CAT's core is "reliable," but the buyer is promised more than just a great machine. Included in the package is a reasonably priced piece of equipment, good service, and a long warranty period. Basically, the proposition is a statement about the resulting experience customers will gain from the company's market offering. The brand depends on the company's ability to **manage its value-delivery system**. The delivery system includes all the experiences the customer will have using the offering.

You also can characterize this as brand personality. It describes the brand as if it was a human being. The personality of a brand can help to provide the necessary differentiation even in a parity market. The personality strongly facilitates brand recognition, making it more interesting and memorable; it moreover stimulates positive attributes such as energy, youthfulness, and responsiveness, which can be very important to many brands.[19]

SAP defines its brand personality as enjoyable, friendly and approachable, honest and responsive, listening and responding, constantly improving.[20] Of course this can only come to life if the customers' perception is the same as was intended by the company.

Brand Promise

Strong brands express the promise behind an organization – the pledge we make to everyone about what they will experience when they do business with the company. The company Advanced Circuits guarantees the "quick turnaround" of custom printed circuit boards. Rackspace web hosting promises to deliver "fanatical support". *FedEx* promises "peace of mind".

A strong, clearly understood brand promise contributes to the momentum of growth. In 1847, John Deere promised, "I will never put my name on a product that does not have in it the best that I have in me." For more than 150 years the John Deer Company remained true to that commitment – building our reputation by building value into every machine that bears our name. So you can count on equipment that's as productive as possible. Up and ready to work when you are. And designed to minimize your daily operating costs, therefore we promise: Nothing Runs like a Deere.

It is necessary to deliver a differentiated brand promise. As companies lose their ability to **differentiate their brands based on functional attributes**, they must focus on process and relationship benefits, such as ease of ordering or responsiveness to customer requests. Thus, frontline employees must understand and deliver the right brand promise to their customers.

Aviagen

Aviagen, a B2B company well-known in farming, transfers its successful business model to lesser successful businesses that it acquires. *Aviagen* has many chicken breeding brands: *Arbor, Acres, L.I.R.,* and *Ross* delivering day old grand parent and parent stock chicks worldwide for the production of broiler chicks. *Aviagen Turkeys* has two turkey breeding brands: *British United Turkeys* (B.U.T.) and *Nicholas* (formally owned by the *Wesjohann* group, Germany), both delivering day old turkey poults around the world, while *C.W.T.* provides hatching eggs for the broiler market (see Figure 45).

Aviagen's business strength has been carefully cultivated by combining their own strength with the strength of the acquired brands. It now controls about one-third of the world's poultry market and has succeeded in turning what once was a local segmented farming business into a world-wide branded corporation.

Fig. 45. *Aviagen* brand portfolio

Brand Architecture

The central role of branding in establishing the firm's identity and building its position in the global marketplace among OEM, VAR (Value Added Reseller) and other market participants make it increasingly imperative for firms to establish a clear-cut brand architecture.

A key element of success is the **framing of a harmonious and consistent brand architecture** across countries and product lines, defining the number of levels and brands at each level. Of particular importance is the relative emphasis placed on corporate brands as opposed to product level brands and the degree of integration across markets. Escalating media costs, increasing communication and linkages across markets, together with the internationalization of OEMs and suppliers, create pressures for parsimony in the number of the firm's brands and a consolidation of the architecture across country markets. Focusing on a limited number of international strategic brands generates **cost economies** and **potential synergies** for the firm's efforts in all markets. At the same time, procedures for managing the custody of these brands have to be established.

There are three major patterns of brand architecture: **corporate-dominant, product-dominant and hybrid or mixed structures**.[21] Corporate-dominant architecture tended to be most common among firms with a relatively limited range of products or product divisions, or with a clearly defined target market, e.g. *IBM*, *GE*, *Shell*, *Caterpillar*, *AtlasCopco*, and *Lenovo*. Product dominant architecture, on the other hand, is very rare in B2B applications. Typically, they are found among firms which emerged over time with multiple national or local brands, or firms that have expanded internationally through acquisitions or joint ventures. An overview with examples for all three brand architecture patterns are shown in Figure 46.

Most commonly, hybrid or mixed structures can be found, consisting of a mix of global corporate, regional, and national product-level brands, or a corporate endorsement of product brands or different structures for different product divisions. Examples are *Kendrion N.V.* from the Netherlands or *DaimlerChrysler Trucks* with *Fuso* in Japan, *Freightliner, Oshkosh, Dodge,* and *Sterling* in the USA and Canada, *Freightliner* and *Mercedes-Benz* in South America and the original brand in Europe.

Both corporate and product dominant structures are evolving towards **hybrid structures**. Firms with corporate dominant structures are adding brands at lower levels, for example, the house or product level, to differentiate between different product divisions. Product-dominant structures, on the other hand, especially companies emphasizing multiple local (national) brands are moving toward a greater integration or co-ordination across markets through corporate endorsement of local brands.

These companies also vary in the extent to which they have a clearly articulated international brand architecture to **guide this evolution**. Some companies have clearly laid out the different levels at which brands are to be used, the interrelation between brands at different levels, the geographic scope of each brand and the product lines on which a brand is used, while others have few or no guidelines concerning international branding.

There are proven steps to optimize a brand architecture:[22]

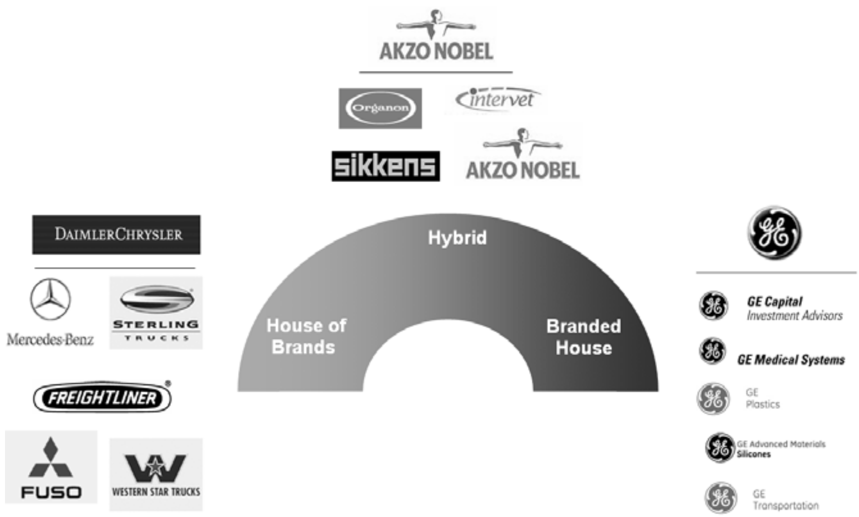

Fig. 46. Examples of industrial corporations brand architectures

- Take stock of your brand portfolio from the perspective of customers. Their view is the foundation for your strategy.
- Do "brand relationship mapping" to identify the relationships and opportunities between brands across your portfolio, checking for these criteria:
  - The perceived or potential credibility of the brands in that space – the perceptual license
  - Whether or not the company currently has or can develop competencies in that space – the organizational capabilities
  - Whether the size and current or potential growth of the market is significant enough to merit exploitation and investment – the market opportunity
- Mine the opportunities where all three criteria are met or use these innovative strategies if all criteria do not intersect:
  - "Pooling" and "trading"
  - Branded partnerships
  - Strategic brand consolidation

  - Brand acquisition
  - New brand creation
- Continuously emphasize the portfolio-wide thinking and business-wide implications of brand-oriented decisions. Consider creating a brand council.

When managed strategically and used as a structure to anticipate future business and brand needs, concerns, and issues, a clearly defined brand architecture can be the critical link to business strategy and the means to optimize growth and brand value.

4.4 Brand Building

Brands must not only be started. They must be built over time and modified over time.[23] Consider the *Tyvek* material invented by *DuPont.*

Tyvek

DuPont scientists, who have invented so many materials, including *Duco* lacquers, *Teflon* coating, *Corfam*, and *Nylon*, succeeded in creating a form of synthetic paper by shredding and processing nylon fibers. After sustained trial and error, they stabilized the concept and introduced *Tyvek* material in 1961. Under the corporate brand umbrella *DuPont – The miracle of science DuPont* heavily supported the marketing efforts.

In 1967, *DuPont* came up with *Tyvek* envelopes. As a communications symbol, *DuPont* used a medieval-looking metal box to emphasis the strength and durability of the new product solution (see Figure 48). *DuPont* approached large corporate accounts and offered them unique solutions. After fifteen years, the envelopes and other products based on the *Tyvek* material began to turn a profit. Today, the *Tyvek* envelope is the world's leading solution in demanding conditions of weather, weight, and content for surface and air mail – all without traditional raw wood material from the forest (see Figure 48).

Fig. 47. *DuPont* logo and claim

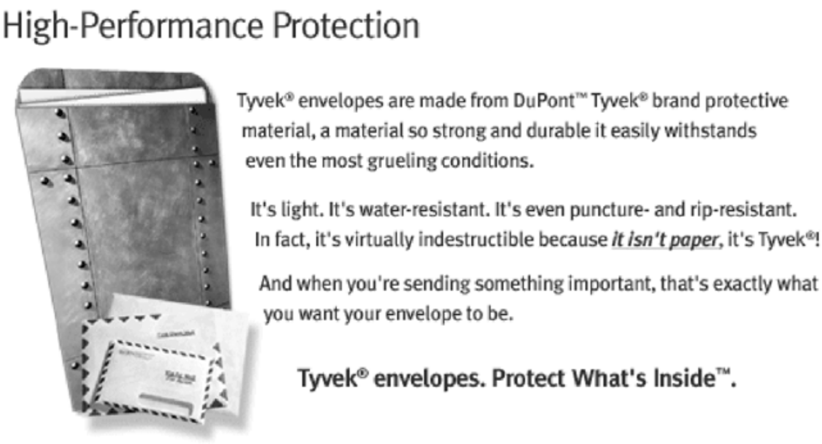

Fig. 48. *DuPont*'s advertisement for *Tyvek* envelopes

In the case of *Tyvek* envelopes, *DuPont* moved through four steps: (1) establishing the proper brand identity, which established breadth and depth of brand awareness, (2) creating the appropriate brand meaning through strong, favorable, and unique brand associations, (3) eliciting positive, accessible brand responses, and (4) forging brand relationships with customers that are characterized by intense, active loyalty. The sum of all communications and customer experiences resulted in a distinctive image in their mind based on perceived emotional and functional benefits.

Tyvek is not just one of the most protective materials ever created; it is also very versatile and accommodating. Just about every type of business, from professional firms to educational institutions, from trade groups to government organizations rely on *Tyvek* envelopes. Here is a particularly interesting example:

"Students at *Northwestern University* in Evanston, Illinois don't carry simple IDs. They carry smart cards – plastic cards that let them

Fig. 49. Northwestern University student card cover

obtain cash at ATMs (Automatic Teller Machines), pay for food on campus, use college copiers or laundry facilities, gain access to buildings and more. Needless to say, the magnetic strip on the cards contains a lot of information. This means that once the University Services Wildcard Department inputs these data on all 17,000 student cards, the last thing it wants to do is have to input it all over again. But that was exactly the daunting prospect they faced every year (due to damage to the cards) – until Northwestern switched to Card Sleeves of *DuPont Tyvek* that protected the magnetic strips on the cards.

Successful brands don't stand still. They are continually built. According to the CBBE model, as shown in Figure 50, brand building involves four logical steps[24]. Their development must be based on a solid brand strategy and a consistent brand architecture:

1. Establishing the proper brand identity.
   Identity: Who are we? → Deep, broad brand awareness

2. Creating the appropriate brand meaning.
   Meaning: What are you? → Unique brand associations

3. Eliciting the right brand responses.
   Response: What about me? → Positive, accessible reactions

4. Forging appropriate brand relationships with customers.
   Relationship: What about you and me? → Intense, active loyalty

According to Keller, brand awareness consists of brand recognition which can be defined as the "customer's ability to confirm prior exposure to the brand when given a brand as a cue" and brand recall the "consumer's ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as cue."

Building **brand strategy** must always be based on the **brand core**, its **values, and associations**. As we have shown (see Figure 43) the products and services are an intrinsic part of the brand. The content and the meaning of these dimensions may change over time, and have to be guided by the management and its decisions.

The other key element of success is the framing of **brand architecture** across product lines and a country, defining the number of levels and brands at each level, a harmonious and consistent system, in line with the strategy is required.

Therefore the "brand image is created by marketing programs that link strong, favorable, and unique associations to the brand in the customer's memory." These associations are not only controlled by the marketing program, but also through direct experience, brand information, word-of-mouth, or with the brand's identification with a certain company, country, distribution channel, person, place, or event. The CBBE model is built by "sequentially establishing six 'brand building blocks' with customers" that can be assembled as a brand pyramid, based on the brand strategy and architecture as shown in the Figure 50.[25]

Brand salience relates to the awareness of the brand. **Brand performance** refers to the satisfaction of customers' functional needs. **Brand imagery** *arises from* the satisfaction of customers' psychological needs. **Brand judgment** focuses on customers' opinions based on performance and imagery. **Brand emotions** are created by the customers' emotional responses and reactions to a brand. **Brand resonance**, finally, is based on the relationship and level of identification of the customer with a brand.

Achieving success in building your brand is a process that takes time and patience. "Branding is a long-term initiative that is predicated on building a relationship, based on trust, respect and consistency"[26]

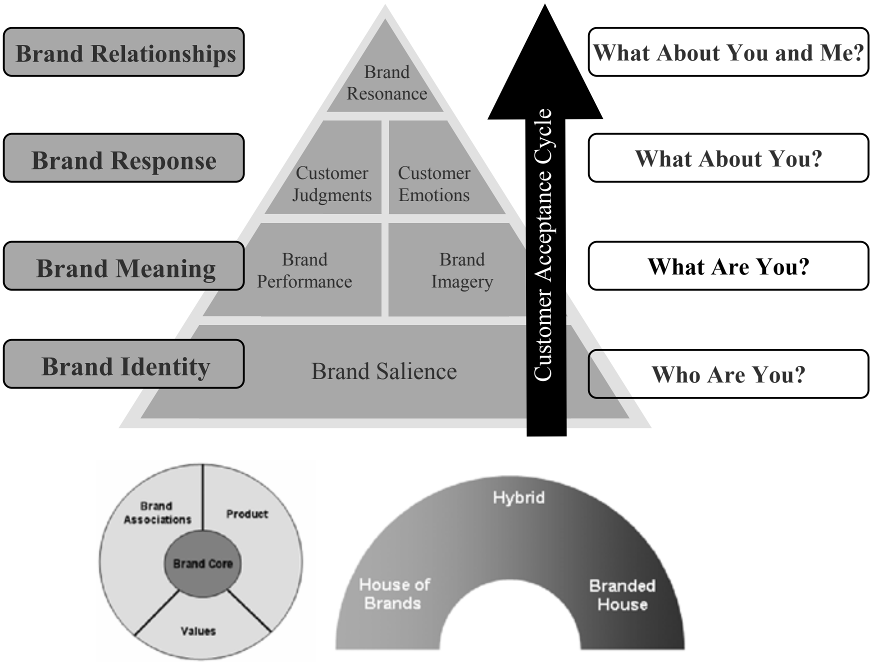

Fig. 50. The brand building pyramid with brand strategy and architecture

as Roger Giffin points out. It takes dedication and persistence – and most importantly, a **Brand Champion**; someone who takes responsibility to make sure that the 'brand promise' is always fulfilled. We know that when companies go through this process, they get clarity and a perspective. After completing the process, they find it easier to work on the media strategy, creative decision-making, and the revisiting of the strategic business plan.

Kevin Clancy, head of the marketing strategy firm Copernicus, has a different approach to brand building. We suggest using such an approach if you can start a branding concept from scratch; this may apply when you

- start a new business venture or when a company is
- spun-off from a larger unit or when you have to
- live with a new identity.

He outlines a five step brand building approach for this kind of situation:[27]

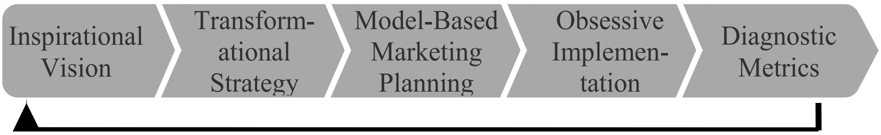

Fig. 51. Kevin Clancy Copernicus's 5 step brand building process

1. **Create your inspirational vision statement**
   Your brand vision identifies your enterprise's purpose for existing beyond solely that of creating profits. It reveals a broader, deeper, "built-to-last" view that enriches the enterprise, its customers, and the community. Determine also your brand personality. It helps your brand come alive. It makes your brand accessible and touchable. It helps you to differentiate yourself and it provides depth and dimension to your enterprise. If strategically sound, it delivers credibility and likeability. Some brands have a personality that triggers charisma – trust that goes from loyalty to advocacy. Work also on your brand character which is about the culture of the brand. It is the value system that directs every aspect of the enterprise, its principles, attitudes, and characteristics. It is the commitment made to customers, associates, and suppliers.

2. **Transformational strategy**
   In thinking of the relationship between your brand and your customer, it is necessary to adopt a more transformational, cross-functional approach in understanding the entire value chain. By moving from market segments to strategic segments the valued customer could be reached through a clear defined value proposition (what to offer), and for the distribution of an appropriate value network (how to deliver). A transformational strategy could also be achieved by radical business innovation which moves away from market driven to market driving.[28] Market drivers are visionary elements, creating new

markets and redefining categories, rather than focusing on obtaining market share in existing markets. They also include the development of **a transformational brand image.** There are two aspects of brand image – how you want to be seen, and how you are seen. The challenge is to direct, shape, and focus on how customers see you. Yet, how the customers see your brand is not just what their eyes see, but what they think and **feel**. The eyes and the brain create an array of impressions, past and present, real and perceived, rational and emotional. Brand image is what is physically in front of customers' eyes and senses, and what the brain does with that information.

3. **Model-based marketing planning**
   The short life cycle and fast decay in revenue, combined with the rapid and frequent introduction of new products, make successful marketing an extremely challenging management task. With new product and services often involving large investments, the potential to improve decision-making in the industry would appear to be considerable. This means moving away from traditional marketing planning models. Many of these models were based on a "numbers game" notion where top management, via a process of setting objectives, could summon those below to develop strategies capable of achieving these objectives. Objectives were set in order to motivate and to control performance. It is important to move to the use of sophisticated planning tools such as *DuPont*'s ratio analysis or value-based planning models including economic value added (EVA) and simulare discounted cash flow methods.

4. **Obsessive implementation**
   Being 100% consistent in delivering the brand experience is critical to the long-term success of your brand. Every time you change or mix the message to your customers or every time you don't deliver the promise, you chip away at what you are trying to achieve and are ultimately proving the brand is not to be trusted.

5. **Diagnostic metrics**
   For successful brand strategies the best-designed and most effective brand diagnostic metrics have to be in place. They should provide a link between brand strategy and business strategy. These metrics, based on **Business Intelligence (BI)** methods, will show how the brand can be better managed while providing the rationale for more effective brand and business resource allocation.

The result will be that the business as a whole can show the benefits of having a consistent approach for measuring the brand's overall performance. With this knowledge in place, the further fine-tuning of the branding and business strategy can progress to new heights.

Brand Portfolio Management

The 1990s boom years resulted in a proliferation of products and brands. As a result, corporations must ask "how should we **allocate existing financial** and **human resources** among our brands to grow shareholder value?" Firms experiencing the largest gains in brand equity saw their ROI average 30 percent; those with the largest losses saw their ROI average a negative 10 percent[29]. Message: focus on getting the most from existing brands through better organizing and managing brands and brand inter-relationships. Different business strategies require different brand architectures. The two most important types are:

- **"Branded house" architecture** – employs a single (master) brand to span a series of offerings that may operate with descriptive sub-brand names. Examples: *Boeing*, *GE* and *IBM*.
- **"House of brands" architecture** – each brand is a stand-alone; the sum of performance of the independent brands is greater than under a single master brand. Examples: *General Motors* and *Marriott International*.

Neither type is better than the other. Some companies use a mix of both. The key is to have a well-defined brand portfolio strategy.

Brand portfolio management is not just a marketing issue. It directly affects corporate profitability. Ill-defined and overlapping brands lead to erosion in price premiums, weaker manufacturing economies, and sub-scale distribution. In a slowing economy, the problem of an underperforming brand portfolio is even more acute: While adding brands is easy, it becomes difficult to harvest the value in a brand or to divest it.

Effective brand portfolio management starts by creating a fact base about the equity in each brand and the brand's economic contribution. The application of analytical tools, such as the five precepts of portfolio power (shown later), can inform decisions about individual and collective brand strategies from targeting and positioning to investments, partnerships, and extension opportunities. Linking the intangibles of brands to hard financial metrics allows companies to exploit the full potential of their brands and thereby gain a competitive advantage.

Successful brand portfolio managers embed branding decisions into each aspect of the company's business design, from customer selection to the internal organizational system. They use divisional or business unit brands as part of creating and protecting unique business designs within the company. At the same time, they recognize the need to minimize the complexity and cost in managing a portfolio.[30]

Marriott

Take the example of *Marriott International*, a company that has excelled in its field. The *Marriott* group manages 2,100 lodging properties in almost 60 countries. While the lodging industry grew at less than 6% annually during the 1990s, *Marriott's* growth rates exceeded 10%. Similarly, the company's profitability showed an 18.4% growth rate, three points higher than the industry as a whole. Many factors have contributed to *Marriott's* success, including sophisticated revenue management and centralization of many common processes such as purchasing. But *Marriott's* managers have also developed a clear understanding of where they can and cannot take their brand (see Figure 52).

Fig. 52. Selection of *Marriott International, Inc.*, brand portfolio

Fact-based insights of the *Marriott* management, grounded in an understanding of both brand equity and the economic contribution of their brands to corporate profitability, form the foundation for a winning brand portfolio. Consequently, the Marriot organization acted on those insights, with everyone behaving in ways that advanced the cause of the whole portfolio, not just of individual brands. Brand portfolio management requires developing the links between intangibles and hard financial metrics. Proceed by applying these **five precepts of portfolio power**:[31]

1. **Align the brand portfolio with the business design.**
   Embed branding decisions into each aspect of the company's business, from customer selection to the internal organizational system. The evolution of brand strategy at Citigroup is used to illustrate this precept.[32]

2. **Consider building a brand pyramid.**
   Individual brands within a portfolio become far more powerful when they are interrelated, as *Kraft Foods* has demonstrated[33]. Without a coordinated holistic portfolio strategy each brand cannot be tailored for a distinct level of the pyramid. The pyramid model requires constant vigilance and defense against attacks of its base. Use economic measures that reflect incremental costs, allowing the higher levels to cover the core costs. Manage the base of the pyramid as a low-cost business design, with production eventually moved to low-cost countries.

3. **Grow winners and harvest losers**.
   While adding brands is easy in prosperous times, in a slower economy, a concentration of investments on smaller groups of

power brands is recommended. *Unilever's* practice with their brands is cited to show how rigorous they were in cutting or repositioning weak brands[34].

4. **Play the cards you are dealt.**
Rather than stretching a brand until it snaps, build a new brand or buy a brand. This is based on a clear understanding of where the company can and cannot take its brands. *Marriott's* practices have been used before to illustrate this point.[35]

5. **Counter the tendency to make brand decisions in a decentralized, ad hoc manner.**
Establish brand management functions with management guidelines that outline when, how, and where a brand should be used. Reward managers for making decisions that benefit the entire portfolio, rather than for building one brand at the expense of another. Coordinate marketing's focus on demand generation to drive sales and to guarantee brand focus on longer-term image building to achieve sustained growth.

Fact-based insights, grounded in an understanding of both brand equity and a brand's economic contribution to corporate profits, form the foundations for a winning brand portfolio.

4.5 Brand Audit

Companies should periodically audit the performance of their individual brands. You need to agree on the objectives of the audit, and then you can start collecting data, identifying participants, scheduling interviews, and setting a findings review session.

The brand audit aims to assess the strengths and weaknesses of a given brand or brand portfolio. Typically, this consists of an internal description of how the brand has been marketed (named "brand inventory"') and an **external investigation**, through focus groups, questionnaires, and other consumer research methods, to identify what the brand does and could mean to consumers (called "brand exploratory"). The final step would be the analysis and interpretation of the results.

We know that the strongest brands are often supported by formal brand-equity-management systems.[36] Managers of these brands have a written document – a **Brand Equity Charter –** that spells out the company's general philosophy with respect to brands and their inherent brand equity (e.g. what a brand is, why brands matter, and why brand management is relevant to the company). This charter also summarizes the activities that make up brand audits, brand tracking, and other brand research procedures; specifies the outcomes expected of them and includes the latest findings gathered from such research.[37]

Finally, you have to bring your brand to the acid test. The **Brand Score Card** measures the performance of your brands in relation to customer priorities. In general, there are four dimensions of brand measurement that tend to bind the customer to the brand:[38]

- The functional performance of the underlying product or service
- The convenience and ease of accessing the product or service
- The personality of the brand
- The pricing and value component

The combination of these attributes often provide a well-rounded picture of how well the brand asset is growing and how much untapped cash flow is waiting to be unlocked. Brand attributes should be monitored in tracking studies conducted in waves every six or 12 months. The **advanced B2B companies** like *GE*, *IBM*, and *Accenture* are today migrating towards "continuous" brand tracking, with smaller samples fielded every other month. Our suggested brand audit should be a customer-focused exercise that involves a series of procedures to assess the health of the brand, uncover its sources of brand equity, and suggest ways to improve and leverage its equity.

The brand audit can be used to set a **strategic direction** for the brand. Are the current sources of brand equity satisfactory? Do certain brand associations need to be strengthened? Does the brand lack uniqueness? What brand opportunities exist and what potential challenges exist for brand equity? What is the current status of the brand architecture? [39]

A **compliance audit** goes a step beyond this: A bottom-up audit of the individual brands allows an assessment of how well each brand functions as part of the overall brand architecture of the firm. The key steps of the compliance audit are:

(1) collection of information that establishes how the brand has been used in each country that it is marketed in

(2) assessment of deviations from its established position in the structure and reasons

(3) evaluation of the brand's performance

A **strategic audit**, in contrast, refers to a top down audit, conducted on multiple levels. If the end-result of the strategic audit is that the firm's brand architecture no longer fits underlying drivers, steps should be taken to revise the firm's architecture so that it reflects the new realities of the marketplace.

Using these audits, a company can develop a marketing program to maximize long-term brand equity. Future results need to be monitored and necessary corrective action taken.[40]

Brand Metrics

The best-designed and most effective brand metrics can only be developed if the link between brand and business strategy is clearly understood. These metrics will show how the brand can be better managed while providing the rationale for more effective brand and business resource allocation. If properly implemented, the business as a whole can reap the benefits of having a consistent and measured approach for gauging the brand's overall performance.[41]

Business Intelligence (BI)

Business Intelligence solutions can help to solve some brand metrics problems. Data mining is the most common BI technology today. It helps corporations to quickly analyze and make sense of massive amounts of information stored in databases throughout the enterprise to identify sales opportunities, supply senior management with data for decision-making, and provide intelligence used in other decision-making processes. New tools and technologies are now emerging that bring the value of BI to **marketing, branding and corporate communication professionals** by tapping into the often overwhelming amounts of unstructured information.

There are two approaches for extracting business intelligence from unstructured information:

- **Key Word Searches (KWS)**
  This approach is as simple as it sounds – identifying mentions and coverage of a company and its brand based on a key word alone. The approach is feasible for smaller companies, where their **media coverage and that of competitors** can easily be identified, analyzed, and checked for accuracy. However, it presents a significant challenge for larger organizations and those who have greater media coverage to identify what is real, and what it all means.

- **Natural Language Processing (NLP)**
  The second approach uses NLP.[42] It is one of the most highly accurate methods available, with extremely low numbers of false positives. The best NLP solutions use **information extraction technologies** that combine statistical and semantic analysis to quickly scan through thousands of unstructured documents to identify those that are truly relevant. The technology deciphers how words within a sentence relate to one another. It can determine whether your company is the focal point of an article, or a passing reference. It can determine what messages are being associated with your brand, and whether your company is being viewed as a technology leader, or behind the times. Unlike simple key-word based approaches, NLP technology can be leveraged to automatically discover important information about companies, people, products, and competitors, cutting down research and analysis time dramatically and opening up business opportunities that you might have overlooked.

By tying the BI approach into a larger **communications management strategy** in which companies use a single integrated platform to create, execute, and measure their marketing and communications programs, companies can do a better job of measuring brand perceptions. They can quickly benchmark themselves against their competitors, and identify who is writing about them and about the market. They can determine if they have more visibility in the trade and business press as well as in online or broadcast media. They can see which messages are strongly associated with a particular company, how long certain branding messages maintain visibility and exposure – and which die quickly. They can see, immediately, how a competitor is perceived, and how they are responding to your messages.

With **accurate and rapid information,** companies can **make knowledge-based decisions** more quickly. For instance, if the initial impact of a major brand re-launch is less than expected, immediate action may be required. When using traditional approaches, companies have no idea that their strategies are not working until months later. But when using NLP-based BI technology, quick strategy changes based on solid data and metrics are possible. Perhaps more importantly, a communication measurement and analysis solution that incorporates NLP technology allows companies to truly justify their marketing and communication expenditures, establish a compelling ROS (Return On Sales) in months, not years, and demonstrate the **effectiveness of their strategies**, both at a tactical and strategic level. Not only will they be able to explicitly identify how much coverage certain campaigns generated, and how that **coverage impacted visibility** and **brand perception**, but they will also be able to better determine the impact on larger strategic goals.

After you have implemented your brand strategy, identified your brand, and launched your branding efforts, you will want to measure your ROBI (Return On Brand Investment). "Do You Know Your ROBI?" It is a useful resource.[43] Davis outlines eight qualitative and quantitative ROBI metrics.

- **Brand knowledge** (qualitative) – provides detailed data on the level of awareness, recall, and understanding of the brands.
- **Brand positioning understanding** (qualitative) – identifies how well different customer segments understand the brands' positioning as well as their customer service, personal contact, expertise and selling messages targeted at them.
- **Brand contract fulfillment** (qualitative and quantitative) – determines whether the brands are fulfilling their promises in the marketplace.
- **Brand personality recognition** (qualitative) – determines how well the brand's personality is being communicated to internal and external audiences and how well it actually is understood and remembered.
- **Brand-driven customer acquisitions** (quantitative) – tell how many new customers are attracted with the brand portfolio management efforts and who these customers are.
- **Brand-driven customer retention and loyalty** (quantitative) – measures the number of customers who have been lost because of the implemented brand portfolio strategies.
- **Brand-driven penetration and frequency** (quantitative) – measure the number of existing customers who are buying more products or services as a result of the brand portfolio management.
- **Financial brand value** (quantitative) – measure the price premium the brands can command over their competitors and the earnings attributable to the brands strength.

Based on the results of measuring the brand portfolio management, marketers can **adjust** their **strategies** correspondingly. Since the findings might affect all branding aspects, the firm should get cross functional teams involved from the start so that the adjustments can be made instantly. The measurement scores will help determine how the firm is performing today and highlight areas to focus on in the future.

Many companies probably won't want or need to do all. If you have to concentrate your efforts, the following three will provide the most important brand metrics: **Brand Positioning Understanding, Brand-Driven Customer Acquisitions,** and **Brand-Driven Customer Retention** and **Loyalty**. With this set of metrics in place, managers can work toward four objectives:

- Measuring the brand's performance against the portfolio strategy
- Ensuring that the brand is sustaining the firm's focus
- Developing consistent communications
- More effectively allocating resources to build the brands in the future

Reevaluating Brands

A good brand strategy should last as long as it is the **best strategy possible**. To change and re-brand simply for the sake of change probably won't produce the results you wished for. To kill a great brand strategy because someone in marketing got bored before the market did, not only wastes a lot of money, time, and effort but can be harmful as well. Top management or the Chief Marketing Officer (CMO) must provide discipline and leadership in order to resist change only for change's sake.

People rely on things they know and trust – if you change something, this trust probably will be challenged and consequently either reinforced or weakened. **Re-branding** or **brand juvenation** efforts should not be undertaken lightly.

UPS

Let's have a look at the re-branding of *UPS* again. The company wanted to show its **evolution** and **draw customer attention** to all that they have to offer.[44] Over the years the company continued to expand across the globe and introduced a portfolio of new services in a diverse spectrum of interrelated business areas. It had been developing and acquiring new capabilities to improve and broaden its market offerings.[45] Yet, the *UPS* brand was still regarded as synonymous with ground delivery by trucks, at least in the United States. It was almost unknown to the majority of *UPS* customers that the company heavily invested in its airborne delivery services, establishing the eleventh-largest airline in the world, delivering 2 million packages and documents every day.

In 2001, *UPS* acquired Mail Boxes Etc. (*MBE*). *MBE* provided an enormous opportunity for enhancing *UPS's* already extensive 70,000 access points, which included other retail partners, further supported by *UPS* branded drop boxes. In the course of these changes, the question was whether to re-brand all *MBE* franchisees or not. After extensive market testing over almost two years the company made the decision to re-brand the stores.[46] The result of these tests in traditional branded *MBE* stores, co-branded stores, and *UPS*-branded stores showed that the **deciding factor** was less about price than about the power of the *UPS* brand. The *UPS* store locations outpaced all the other test stores.[47]

Consequently, all franchisees of the *MBE* locations in the U.S. were given the opportunity to re-brand their shops into *The UPS Store*, and over 90 percent did agree to it (and which can be considered a very high participation rate in the franchising industry).[48] If a brand no longer fully expresses the company's capabilities, it is time for a change. It was quite obvious that the *UPS* brand was lacking certain attributes. The new *UPS* brand better reflects the broader scope of its business dealings.

The change of *UPS's* visual identity is regarded to be one of the most significant corporate identity transformations in American history. The scale of the whole project was huge. The following numbers demonstrate the gigantic scale of the project. The new logo had to be put on more than 88,000 vehicles, 257 airplanes, 1,700 facilities worldwide, 70,000 drop-off and retail access points, more than 1 million uniform pieces and more than 3 billion packages annually.[49] The estimated cost of the re-branding exercise was tagged at approximately US$20 million for the first year.

If you want to change or **broaden the perception** of a brand it is not enough to present a new logo to your customers and the public. It is necessary to start the process inside out. *UPS* did a great job in integrating the re-branding within the context of a solid and holistic brand strategy. For years, the employees of *UPS* had embraced and lived the brand. In order not to alienate them during this process, the company executed a massive internal and external launch program that explained the reason for the new look.[50]

The **communication elements** that were used to support the re-branding efforts were mainly television and print campaigns. Using different approaches for the United States and the rest of the world, *UPS* focused on communicating its expanding capabilities beyond package delivery.[51] Beginning with the 2002 Winter Olympics in Salt Lake City, *UPS* started the communications push for the stretching of its brand. At that time, they introduced the very successful "What Can Brown Do for You?" campaign which lasted for over two years. To broaden the view of its customers, it showed *UPS* as a logistics and supply chain company, rather than a ground delivery service expert. In 2003, with the logo change, they added the corporate tagline: "Synchronizing the world of commerce." Although many critics were considering it quite a risky brand stretch, the *UPS* brand has shown no signs of flagging since the start of the **repositioning approach**.[52]

That the re-branding exercise really did pay off is shown by the increasing willingness of the world business community to leverage on the advantages offered by *UPS* through its diverse spectrum of market offerings and total supply chain solutions. In 2003, the non-package revenue of the company increased by almost 100% to US$2.7 billion. In the Asia-Pacific region the export volume rose nearly 10% in the fourth quarter of 2004. Consequently, the transportation issue was shifting from the shipping room to the boardroom as trends in outsourcing of logistics functions to third parties such as *UPS* were gaining grounds.[53]

Summary

- The brand building process consists of brand planning, brand analysis, brand strategy, brand building, and brand auditing.
- **Brand building starts** with understanding the key attributes of your products and services as well as understanding and anticipating the needs of your customers.
- **Mastering brand stability, brand leadership,** and **international presence** calls for a structured sequence of the brand building process.
- The first thing you have to do when building your own brand is to **articulate a brand mission** that reflects what you want to accomplish with it. Secondly you have to add a coherent set of brand values and a brand identity. All the visual elements of the brand, the brand name, logo, and slogan, should be developed accordingly to create a unique visual identity that reflects what the company stands for as well as what its attitude and culture is all about.
- The **power of a brand lies in the customer mind set** – brand equity is therefore a vital strategic bridge from the past to the future and a set of stored values that consumers associate with a brand. These associations add value beyond the basic product functions due to past investments in marketing the brand and they are captured in the Customer-Based Brand Equity (CBBE) model.
- **Brand analysis** helps to define and formulate a proper brand mission, define a brand personality and set brand values. Aligning to the corporate vision and mission is mandatory for devising effective, focused, and distinctive brand elements that help develop a long-term brand strategy.
- The "three C's" of branding refer to the indispensable conditions that precede successful branding. For the purpose of completeness we have added a fourth and fifth **branding principle**: Consistency, Clarity, Constancy, Visibility, and Authenticity.

- A **brand strategy** should not be changed just for the sake of change. Re-branding or brand rejuvenation efforts have to be carefully evaluated in terms of necessity and success probabilities. Companies with many unstructured and maybe even diluted brands need to refocus their brand which is almost the same work as building a brand from scratch.
- Brand strategy consists of developing a strong mission, positioning, brand promise, and value proposition.
- Successful brands don't just sell products; they communicate **clear values** stretched across a number of products.
- A key element of success is the framing of a harmonious and consistent **brand architecture** across countries and product lines, defining the number of levels and brands at each level.
- Brand auditing seeks to measure the strengths and weaknesses of a brand and the overall brand portfolio. The Brand Score Card measures the performance of your brand in relationship to customer priorities. Based on internal and external analysis, compliance and strategic audits should be conducted regularly. Other brand metrics could be implemented such as Business Intelligence, key word search or Natural Language Processing.
- Fact-based insights, grounded in an **understanding of both brand equity and a brand's economic contribution** to corporate profits, form the foundations for a winning brand portfolio.
- **Over time every brand needs re-evaluation**, fine-tuning, and re-branding.

Notes

1 The 17 B2B companies listed on the Interbrand ranking of the 100 best global brands of 2005 had an average of 20,1 % of market capitalization; Source: Robert Berner and David Kiley, "Global Brands," *Business Week* (July 2005), pp. 86-94.

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