

# Chapter 1

## Branding ABCs

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### *In This Chapter*

- ▶ Orienting yourself to what branding's all about
  - ▶ Understanding the power of branding
  - ▶ Committing the necessary people, resources, and time to build a brand
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**M**aybe you're launching a new company or a new product, and you want to establish a strong brand from the get-go. Or maybe you've been in business for a while, and you're getting ready to do some brand repair, brand extensions, or rebranding.

Perhaps you've just joined the marketing team for an established business, and you want to come up to speed — in a hurry — on the whole topic of branding and how to do it best. Or, you may be among the many marketers who aren't quite sure whether or not you even *have* a brand, but you're pretty sure you need one, and you want to know which steps to take in order to end up with the brand you set out to build.

No matter your starting point, if branding action is on your agenda, this chapter gets you going in the right direction. It provides an overview of the reasons that brands matter, why you need one, and how building a brand delivers value that far exceeds the time and effort you invest.

### *What Are Brands, Anyway?*

Brands are promises that consumers believe in. Chapter 2 provides a complete definition of brands and branding, but if you remember nothing more than this three-word description — *brands are promises* — you're well on your way to branding success.

As you venture into the world of branding, keep these truths in mind:

- ✔ **You establish your brand by building trust in a one-of-a-kind promise about who you are, what you stand for, and what unique and meaningful benefits you deliver.**
- ✔ **You build your brand by living up to your promise every single time people come into contact with your name, your message, or your business.** It makes no difference whether that contact comes through advertising, publicity, word of mouth, the buying experience, customer service, billings, returns, or ongoing communication.
- ✔ **You strengthen your brand by constantly reinforcing your brand promise.** If encounters with your brand are inconsistent or not in line with what people expected they could count on, you essentially break your promise, breaking your brand and risking your reputation and business as a result.



Building brands takes focus, passion, persistence, and diligence. Plus brand building requires effort and money. The payoff, and it's a big one, is that strong brands build business and equity for their owners. The following sections shed light on what brands do and why they're such a big deal.

## *What brands do*

Brands create consumer trust and emotional attachments. As a result, they foster relationships between consumers and products that withstand pricing wars, transcend offers from new competitors, and even overcome rare lapses in product or service excellence.

Great brands aren't just known and trusted. They're loved.



For examples of brands that enjoy strong bonds with customers, the next time you're stuck in traffic, look at the logos posted in the windows of the cars around you. Each time you see a logo decal, try to think of that brand's chief competitor. Then ask yourself "What's the chance that a buyer of the competing brand would 'wear' the brand's logo with such pride?" Only brands that strike deep emotional chords with customers make their way into hearts, minds, and car windows! Chapters 13 and 14 provide a playbook on how to develop a contingent of brand enthusiasts inside and outside your organization.

As you develop your brand and it gains strength and loyalty in your market area, look forward to reaping the following benefits.



## Perception is everything

Many people think that the logo is the brand, but, in fact, the logo is just one representation of the brand. Your brand isn't how you look or what you say or even what you sell. Your brand is what people believe you stand for. For example:

- ✓ Starbucks sells coffee. It stands for daily inspiration.
- ✓ Apple sells computers. It stands for thinking differently.
- ✓ Disney sells animated and amusement park family entertainment. It stands for making dreams come true.

Your brand lives in consumer minds, so branding is the process of developing consumer beliefs and perceptions that are accurate and in alignment with what you want your brand to be.

### *Brands make selling easier*

Brands are a big business today because they make selling easier in person and online. People prefer to buy from companies they feel they know and can trust, and brands put forth that assurance.



Whether you're selling products to consumers, investment opportunities to stockholders, job opportunities to applicants, or ideas to constituents, a brand paves the way for success by establishing awareness of your unique and meaningful promise before you ever present your sales proposition.

When people are aware of your brand, they're aware of the positive characteristics you stand for. Long before they get ready to make a purchase, they feel they know who you are and what unique value they can count on you to deliver. As a result, when it comes time to make a sale, brand owners can concentrate on the wants and needs of the consumer rather than take up valuable consumer time trying to explain themselves and their unique attributes.

Without a brand, you have to build a case for why you deserve the consumer's business every single time you get ready to make a sale. While brand owners are closing the deal, those without strong brands are still introducing themselves.

Imagine you're setting out to buy a new laptop computer and you see one emblazoned with a known logo — the face of a known brand. It's likely that your next step is to dive into a discussion with the salesperson of how much memory the particular model you're viewing contains, how the machine can be customized to your needs, what software is included, and other details that will move you to the purchase decision. On the other hand, if you see a

no-name model — even at a dramatically lower price — you’re likely to first try to assess the quality of the manufacturer. You may ask the salesperson where the computer was made, how long the manufacturer’s been in business, whether the manufacturer is reliable, whether other customers have been satisfied, and many other mind-calming questions about consumer satisfaction levels, warranties, and return programs that you wouldn’t raise when dealing with the known entity of an established brand.



Selling a no-name item takes time and patience. It’s a costly route to a sale in a retail setting, and it’s nearly impossible online, where there’s no one standing by to offer explanations, inspire confidence, counter resistance, or break down barriers for your consumers.

### ***Brands trump commodities***

In the marketplace, you have either a one-of-a-kind brand or a one-is-as-good-as-any-other commodity. When it comes to creating a marketing success story, there’s no question that brands fare better because

- ✓ **Brands are products defined by and chosen for their unique distinguishing attributes.** People buy brands because they relate to and trust their distinctions and promises. Consumers are willing to spend extra time and money in order to obtain the brands they believe in.
- ✓ **Commodities are products that are easy to substitute and hard to differentiate.** Commodities are purchased simply because they serve a purpose. Oil, coffee beans, wheat flour, and milk are all commodities. Consumers buy commodities because they meet minimum standards and are available when and where they’re needed and at the lowest price.

### ***Brands build equity***

Brands that are preferred and valued by consumers deliver a long list of business benefits that translate to higher sales, higher profit margins, and higher owner value. Consider these brand advantages as proof:

- ✓ Consumers are willing to pay more to buy brands because they believe that the brands deliver outstanding and desirable benefits.
- ✓ Consumers stay loyal to brands, buying them more often, in greater volume, and without the need for promotional incentives.
- ✓ Retailers provide brands greater store visibility because they know that brands drive sales and result in higher store revenues.
- ✓ Brand owners don’t need to launch new offerings from scratch. They can grow their businesses by leveraging their brands into product and line extensions.

- ✓ Brand owners find it easier to attract and retain good employees because applicants believe in the quality of the workplace based on advance knowledge of the caliber of the brand.
- ✓ Brand owners run more efficient operations because they align all decisions with the mission, vision, and values that underpin the brand promise.
- ✓ Brand owners benefit from increased market share, increased investor support, and increased company value.

## *Why brands are a big deal*

The list of reasons the word “branding” arises so often in today’s business conversations is long and growing. With more new businesses and products than ever before, and with a competitive arena that — thanks to the Internet — now stretches all the way around the world, brands are more necessary than they’ve ever been before. Here are a few of the reasons why:



- ✓ **Brands unlock profitability.** Today’s marketplace is full of more products than ever before, and, overwhelmed by the selection, people choose and pay premium prices only for products they’ve heard of, trust, and believe deliver higher value than the others. If consumers think all products in a category are virtually the same and no offering is better or distinctly different from the others, they simply grab whichever one is available at the lowest price. That’s a profit-squeezing reality that brand marketers gratefully avoid.
- ✓ **Brands prompt consumer selection.** For the first time in shopping history, consumers can shop and buy without any geographic limitation. The Internet and other at-home shopping options allow far-reaching access to any product, anywhere. With a few clicks or keystrokes, consumers find and select products with names they know and promises they trust. In this boundless marketplace, brands rule and no-name products barely survive.
- ✓ **Brands build name awareness.** For good reason, new businesses and products increasingly go by invented names instead of by known words. For one thing, more than three million U.S. trademarks are already registered, so any marketer who wants to protect a new name practically needs to create a never-before seen word in order to succeed. For another, 99 percent of all words in the English dictionary are already reserved as Internet addresses and are therefore unavailable to new marketers. As a result, most new offerings are launched under invented names, and invented names require strong and diligent branding in order to achieve consumer awareness, recall, and meaning. (Chapter 7 is full of advice for naming your brand.)

✔ **Brands increase the odds of business survival.** New businesses and new products are being launched at an unprecedented pace. According to the UPC Database, nearly 100,000 new bar-coded products were introduced in 2005 alone. Only those that ride into the market on the strength of an established brand or those that are capable of building a brand name in a hurry can seize consumer awareness, understanding, and preference fast enough to survive.

Brands have been around for centuries, as the sidebar “The red-hot history of branding” explains. But they’ve never been more important — or more essential to business success — than they are today.

## *Seeing the Big Branding Picture*

Your brand is an image that makes its way into consumers’ minds to influence how they think and buy. It’s based on the promise people believe about you and the reputation they link with your name as the result of all the times and ways they’ve come into contact with you, your name, your logo, or any aspect of your brand.

### **The red-hot history of branding**

In spite of the fact that “branding” is the biggest buzzword in today’s business world, most consumers still link the concept back to the Old West, where brand symbols were burned onto the hides of steers and stallions in order to identify livestock that may have ventured off the ranch or away from the herd.

In fact, the history of branding goes even farther back in time.

In the medieval age, the marks of makers were seared onto everything from loaves of bread to gold and silver products in order to identify their origins and integrity. Even ancient pottery bears marks that resemble brands, causing archaeologists to believe that the concept of branding goes back as far as 5,000 years.

In the 1800s, in addition to serving as identification, brands began to take on a new and important marketing role. It was during those days that manufacturing breakthroughs led to mass production,

and with mass production came an unprecedented glut of products that vastly exceeded the needs of any one local market area.

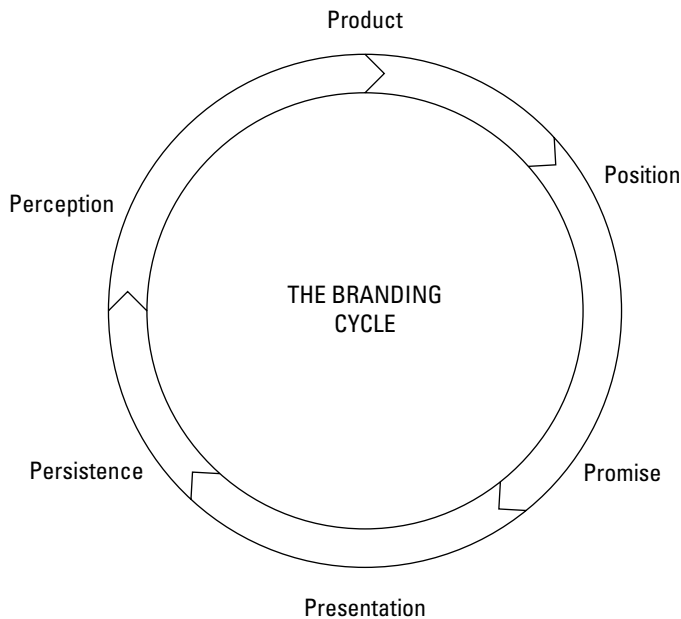
Manufacturers who were used to personally presenting, explaining, and selling their goods to friends and neighbors were suddenly shipping their products off to fend for themselves in distant locations. Realizing that their goods were leaving home accompanied by little more than their product labels, manufacturers began efforts to build their names into brands that stood for quality, distinction, and honesty.

In short order, the concepts of publicity and advertising gained momentum as 19th-century manufacturers worked to build name awareness, product interest, trust, and purchase motivation.

Two centuries later, the purpose of branding remains the same: To build, maintain, and protect a positive image, high awareness, and product preference in consumers’ minds.

## What's involved?

Chapter 2 walks you through the steps involved to build a brand from the essence of an idea to the esteem of a known and trusted offering. For a glimpse of what's involved and how branding is a never-ending cycle, look at Figure 1-1.



**Figure 1-1:**  
An at-a-glance view of the branding cycle.

Branding is a circular process that involves these actions:

- 1. Product definition:** You can brand products, services, businesses, even people or personalities. But you can't start the branding process without first knowing what it is you're trying to brand and whether your brand will be a one-and-only or one of several in your organization. Chapters 2 and 16 provide assistance with this beginning step.
- 2. Positioning:** Each brand needs to fill a unique, meaningful, and available spot in the marketplace and in the consumer's mind. To determine your product's point of difference and the unique position it (and only it) fills in the market, see Chapters 4 and 5.
- 3. Promise:** The promise you make and keep is the backbone of your brand and the basis of your reputation. Chapter 6 helps you put your promise into words.

4. **Presentation:** How you present your brand can make or break your ability to develop consumer interest and credibility in your offering. Start with a great name and logo (see Chapters 7 and 8), and then launch your marketplace communications with professionally produced and compelling packaging and communications. The chapters in Part III tell when, where, and how to proceed as you send your brand message into the marketplace.
5. **Persistence:** This is the point in the branding cycle where too many brands lose steam. After brands are launched, brand owners often get tired of their own looks and messages and begin to improvise with new looks, new messages, and even new brand personalities and promises. Just when consistency is most necessary in order to gain clarity and confidence in the marketplace, brands that lack persistence go off track. To save your brand from this pitfall, turn to Chapters 8 and 19 for help writing and enforcing brand presentation and management rules.
6. **Perception analysis:** In a consumer's mind — which is where brands live and thrive — a brand is a set of beliefs about what a company offers, promises, and stands for. Great brands continually monitor brand perceptions to see that they're in alignment with the brand owner's aspirations and in synch with consumer wants and needs. (Chapter 17 provides questionnaires and advice for conducting this assessment.)

Based on the results of perception analysis, brand owners begin their loop around the branding cycle again, this time adjusting their products, fine-tuning their positioning statements, strengthening their promises, updating their presentations, rewriting their brand management rules, and once again monitoring perceptions in order to guide ongoing brand realignments and revitalizations.

## *Who's involved?*

Brands grow from the top down and from the inside out. What that means is that your brand needs commitment from the highest levels of leadership *and* support from employees in every department and at every point on the organizational chart.

### *Assembling your branding team*

Whether you have a 1-person team or a 1,000-person team, every single person in your organization has to be involved in building and maintaining your brand. In order of who you bring on board first, here's who to involve:



1. **Organization leaders:** Don't try to build a brand without the leadership, buy-in, and active participation of those whose names appear at the very top of your organizational chart. Great brands are expressions of the vision, mission, and core values established by leaders, and therefore leaders need to head up the branding effort.



2. **Marketing and brand management team:** This group takes on the day-to-day responsibility for advancing, maintaining, protecting, and fine-tuning the brand. As you name your team, name one person to serve as your brand manager and chief brand protector. Be sure that this person is a senior-level executive who has the authority and commands the respect necessary to oversee what, in time, will become your organization's most valuable asset — your brand.
3. **An organization-wide team of brand champions:** Every person in your organization serves as an expression and an ambassador of your brand. If one person fails to uphold your brand promise — at any point from an initial inquiry to a post-purchase product or service concern — the strength of your brand is weakened. That's why great brands begin with internal launches that achieve team understanding and support (see Chapter 9). They also include ongoing brand orientations and training sessions to ensure flawless brand experiences (see Chapters 13 and 14).

### *Enlisting professional help*

Brand development requires professional expertise and effort from those within and outside your organization. One person — or even one outside firm — can't do it all. Pick and choose from the following professional resources:

- ✓ **Brand consultants:** These are firms that specialize in the soup-to-nuts creation, building, and management of brands. They're experienced in everything from positioning to naming and trademarking to logo development to launching brands internally and externally. If your organization is seeking to build a brand that reaches into large markets or competitive fields, the expertise of a brand consultant can be worth the expense many times over.
- ✓ **Public relations specialists:** New brands are newsworthy if they're presented with the right news hooks and angles. An experienced public relations professional can help you get your story into circulation. Depending on the size and ongoing nature of your needs, a public relations freelancer may be able to handle your task as a one-time assignment. But if brand publicity is an ongoing objective, a public relations firm with greater staff and media resources may be the way to go. (Flip to Chapter 10 for more on public relations.)
- ✓ **Logo designers:** If you need help only with logo development or refinement, hire a graphic designer with a great logo portfolio. Ask to see samples to be sure that the caliber of design matches up with your expectations. Then use the advice in Chapter 8 as you manage the logo-development process.
- ✓ **Advertising agencies:** Some ad agencies specialize in brand development. Others focus on creation of print, broadcast, or interactive advertising. Yet others are known for outstanding packaging development, and even for their public relations departments. Whatever your needs, be aware that professionally produced communications can make a big difference in the strength of the brand image you transmit.

Chapter 11 offers guidance as you determine your needs, locate the right resources, conduct interviews, manage the selection process, and work with the professionals you hire.



When interviewing professionals, ask to see case studies to determine whether those you're considering have the experience you seek. Many companies present themselves as brand developers when, in fact, they handle only one aspect of the branding process, such as logo development or brand advertising.

## *Gulp! How much does it cost?*

Brand development budgets run the gamut depending on whether you're building a brand that will face only moderate competition in a small geographic region or a brand that aims to elbow out major competitors in the global marketplace.

### *A glance at branding budgets*

Table 1-1 shows a lineup of the major tasks involved in brand development along with the range of price tags involved. Brace yourself: The high-end figures are apt to cause heart palpitations.

<b>Table 1-1 Professional Brand Development Fees</b>		
<i>Task</i>	<i>Low-End Fee</i>	<i>High-End Fee</i>
Name development	\$10,000	\$75,000
Brandmark (logo) creation	\$3,500	\$150,000
Core brand presentations (Web site and collateral materials)	\$10,000	\$250,000+
Advertising	\$10,000	Millions annually
Signage, vehicles, packaging	\$20,000	\$250,000+ annually

As Table 1-1 verifies, there's a huge range between the low-end costs involved to build a professional brand that competes on a local or regional basis and the high-end costs involved in building a powerful brand that can flex its muscle nationally or internationally.



As you reach for your calculator to start tallying up the costs to your business, avoid the temptation to strike out certain line items that you think you can handle on your own without incurring outside costs. Businesses that start with do-it-yourself logos and presentation materials achieve false savings. They economize on the front end, for sure, but they also cost themselves the benefit of a strong, competitive, professional first impression.

If your goal is to build a brand that you can grow, leverage, and even sell in the future, invest the money required to get off to a good start. By the time you amortize your start-up expenses, the cost will be minimal in comparison to the value received.

### *In lieu of big bucks . . .*

In case you're clinging to your billfold or balance sheet, shaking your head, and wondering how you can build a brand on your kind of budget, remember this truth: A well-defined and consistently delivered brand strategy can level the playing field.



If you don't have the budget to develop the most powerful brand identity, triple or quadruple your efforts to design and deliver the most consistent brand experience. Follow these suggestions:

- ✓ **Spend extra time and effort to define your brand and what it stands for so that you and all in your organization know exactly the promise you're making and keeping.** Defining your brand involves creating your mission and vision statements, defining your brand promise, developing your brand definition and core brand message, and deciding on the brand character or personality that you'll put forth with every brand communication. Chapter 6 covers these tasks.
- ✓ **Develop a brand experience that never fails or fluctuates.** If you can't have the most dazzling brand identity and presentation materials, aim instead to have the most amazing and amazingly consistent brand encounters. Chapter 14 helps you ensure brand contacts that never let consumers down and never let them wonder what you stand for.

## *Pop Quiz: Are You Ready to Rev Up Your Branding Engine?*

Is branding the right next step for your organization? If you answer "yes" to a good many of the following questions, you have good reason to turn the page and get started!

- ✔ Are you launching a company or product that will benefit from a clear identity and high awareness?
- ✔ Have you been in business for a while but feel you lack consumer awareness and understanding about who you are and what you stand for?
- ✔ Do you sell your offerings online or over distances but feel that prospects don't know your name or the distinct benefits you offer?
- ✔ Do you feel that people in your own organization are unclear about how to explain your offerings, your distinctions, your target market, and how you excel over competitors?
- ✔ When you look at how your organization communicates through advertising, marketing materials, personal presentations, and at each customer contact point, do you see inconsistencies in the look, message, and company personality being presented?
- ✔ Is the leader of your organization prepared to devote time, staff, energy, and dollars to develop, launch, and grow a brand?

And the final question is “Can you think of even one reason why people should choose your offering over competing solutions?” If your answer is a resounding “yes,” ask yourself this follow-up question: “Do those in your target market clearly understand the distinct benefits you provide?” If not, turn the page and start building your brand!