

Global Sourcing	12
Speed	14
Design Thinking	16
Word of Mouth	18
Conversation	20
Interconnected	22
Open Source	24
Social Networks	26
Experience	28
Passion	30
Transparency	32
The Cloud	34
Sustainability	36
Mobility	38
Crowdsourcing	40
Free	42
Placemaking	44
Choice	46

1 Dynamics

Brand Landscape

Your product, service, platform, or app is fighting for shelf space, media coverage, and visibility, for the opportunity to prove that it is the one that your customer will notice, try, and love. While brand principles are durable, the dynamics change daily. Section 1 reveals how marketing dynamics can be harnessed to jumpstart the branding process. It delineates how social networking, open source, apps, freeconomics, and other platforms can be the building blocks for introducing, extending, and sustaining your brand.

Global Sourcing

Brands, capital, goods, and services flow ceaselessly around the globe. Fashion, technology, and tools are designed here, made there, and sent everywhere. Business services are outsourced to the Czech Republic. Code is written in Brazil. Leading global brands are choosing to be transparent about the origin of their raw materials, the location of their factories, their environmental footprint and their labor practices. Patagonia customers log on to The Footprint Chronicles to track a product's origins. Nissan's car stickers delineate the source country of the car's components.

Design a global strategy to take advantage of market opportunities and production economies. Respect cultural differences and cultivate political awareness. Pay attention to the bottom line, but not at the expense of your customer.

You can ride knowing that your purchase was not a vote for deforestation, for poor labor practices abroad, for excessive materials transportation and fossil fuel consumption.

Comet Skateboards

Which is the more American product, a Honda Accord built by Ohioans for a company with its headquarters in Japan, or a Ford Fusion built in Mexico for a corporation that is based in Michigan?

Cheryl Jensen

The New York Times

The practice of conscious capitalism can show that profit and prosperity go hand in hand with social justice and environmental stewardship.

Dr. Shubhro Sen

Co-founder

The Conscious Capitalism
Institute



Speed

The indefatigable pace of innovation renders the business landscape always new and unfamiliar. Platforms, models, and values like open source and the free economy are radically altering the terrain. This momentum is symbolized by Moore's Law, Gordon Moore's prediction that the number of transistors per square inch on integrated circuits would double every two years. Consumers are poised to keep up to the velocity of profound technological change. Can brands afford to lag behind? It is essential for organizations to embrace networks and systems that are transforming the way customers make choices.

Be ready to incorporate emerging technology into your strategy. Free budgets from legacy systems so new platforms have the resources to succeed.

You have to run faster in order to stay in the same place.

Paul Romer

There is certainly no end to creativity.

Gordon Moore

Co-founder
Intel

You blink your eyes for one nanosecond and three new updates, tools, widgets, platforms and browsers have made their debut.

Genevieve Jooste

Social-media strategist

Technologists are all in a race to beat Moore's Law. What? Eighteen months?

Blake Deutsch

64x

32x

16x

8x

4x

2x

x

15

0

+2 yrs

+4 yrs

+6 yrs

+8 yrs

+10 yrs

+12 yrs

Design Thinking

Innovation means survival for countries, communities, and consumer brands. Emerging markets are racing for the lead position in a global marketplace, while armies of algorithms stand ready to complete any task. Design thinking is an emerging methodology used by forward-thinking businesses to achieve radical, sustainable innovation in products and services. The process is powered by a deep understanding of user needs, desires, and perceptions. A cross-disciplinary team utilizes creative thinking, observation, rapid prototyping, and a nonlinear process to achieve business results.

Experiment with new ways of working and thinking. Design solutions rather than products. Merge beauty with functionality and community. Bring together left-brain and right-brain competencies.

What's in greatest demand today isn't just analysis but synthesis—seeing the big picture and crossing boundaries, and being able to combine disparate pieces into an arresting new whole.

Daniel Pink
A Whole New Mind

We are on the cusp of a design revolution in business, and as a result, today's business people don't need to understand designers better, they need to become designers.

Roger Martin
Dean, Rotman School of
Management
University of Toronto

If you want to think outside the box, you've got to be outside the box.

Robin Chase
Founder
ZipCar

The biggest hurdle to innovation is the corporate longing for certainty.

Marty Neumeier
The Designful Company

CORPUS CALLOSUM



Left brain

Logical
Sequential
Rational
Analytical
Objective
Looks at parts

Right brain

Random
Intuitive
Holistic
Synthesizing
Subjective
Looks at whole

Word of Mouth

Elusive, uncontrollable, powerful word of mouth is the most trusted way to learn about a brand. The customer may also be a parent, a spouse, a business owner, a volunteer in her community, a blogger, a voter, or a member of a book group. She talks, emails, blogs, tweets, and posts to her Facebook page, where her posts are repeated on the pages of her 460 friends worldwide. She brags about the brands she loves and complains when brands let her down. And when she talks, her network listens.

Give your customers something to talk about. Provide an accessible way for customers to express themselves. Remember that a satisfied customer is a powerful asset.

Talking about yourself won't make others talk about you. It's about the passion conversation, not the product conversation.

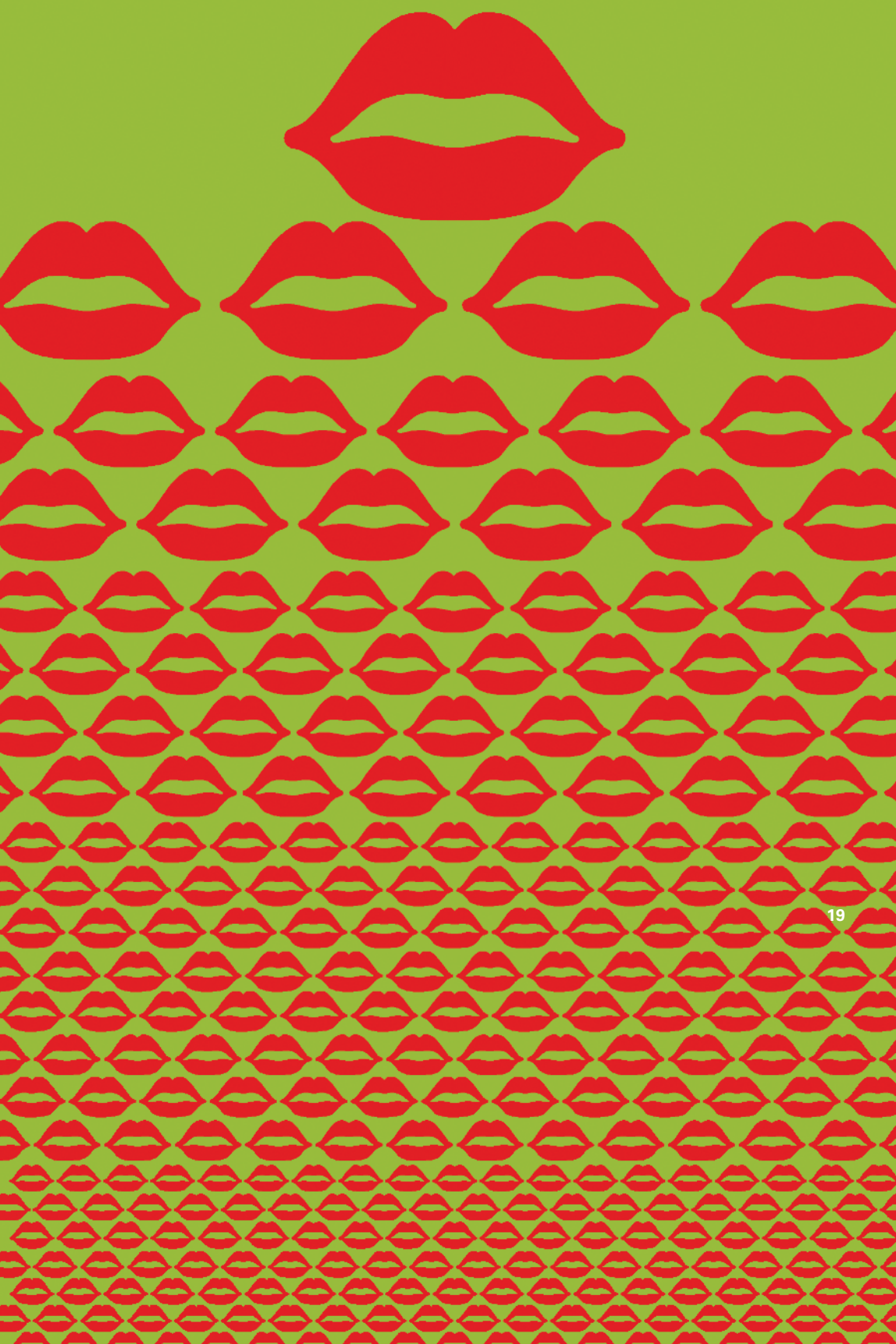
Brains on Fire: Igniting Powerful, Sustainable Word of Mouth Movements

Ninety percent of word of mouth happens offline. There's a huge likelihood for word to spread about experiences people have through the service.

Brains on Fire

Trust must be the cornerstone of any word of mouth movement. You are no longer the big bad brand controlling the conversation.

Brains on Fire



Conversation

Before social networks changed the relationship, brand conversation was one-way, flowing from company to consumer. The monologue is now a dialogue. The consumer is no longer a faceless statistic in a report; she has become an active participant in the brand building process. Share, tag, and comment are her new mantras. The company's role is to listen and reciprocate. To be authentic, companies must respond with a human voice, not a packaged message. While brands are more vulnerable, the conversation is more dynamic and compelling and the customer is more intimately involved.

Post to social networks and blogs, which offer opportunities for more personal communications with consumers and stakeholders. Enjoy the interchange and stimulate new dialogues. Be spontaneous, relevant, and open.

We have to open up our lives to this. Ford is learning to be part of the conversation. Just by interacting with people, we've tapped into their curiosity. It's changing the way we think.

Sam De La Garza

Brand Manager
Ford Fiesta

The big revolution that's brewing is that we, the people, are sick of being numbers. We want to be seen and heard, and treated as individuals.

Chris Brogan

President
Human Business Works

The consumer voice has been amplified and the conversation has shifted beyond the traditional gatekeepers of brand managers and marketers.

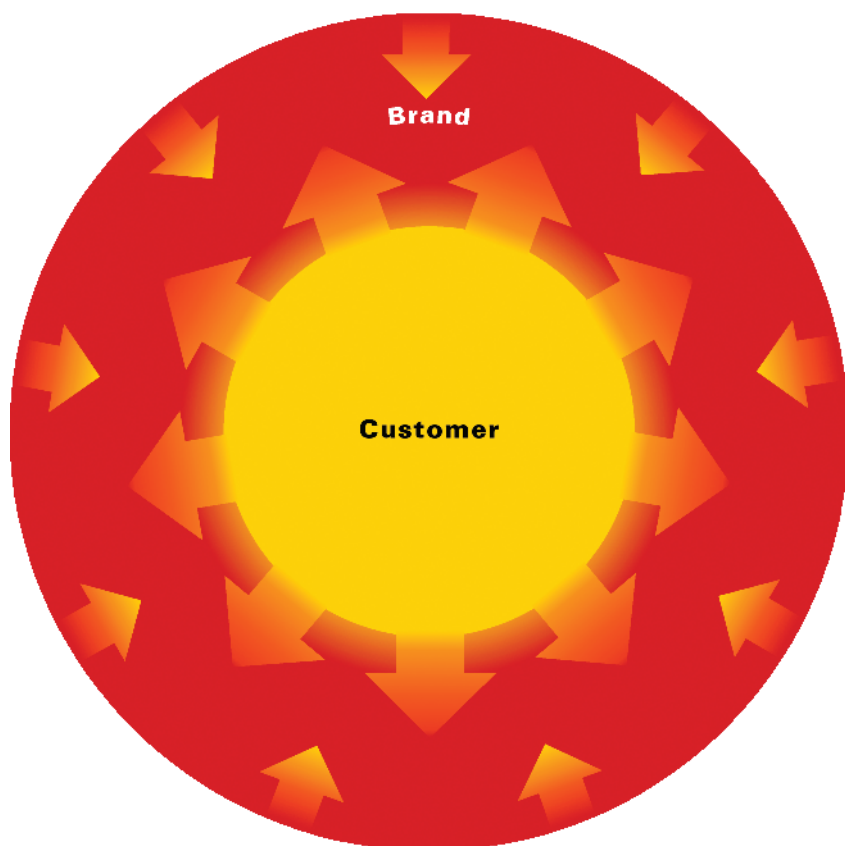
Brendán Murphy

Senior Partner
Lippincott



THEN

NOW



Interconnected

Our communities have become global as well as local, virtual as well as physical. Community ties, cultural identity, and strong beliefs about sustainability favor local brands, while economies of scale, choice, and speed to market favor global brands. Anyone with a big idea, a smartphone, and an app can now connect with a worldwide market and build a brand. Regardless, location should matter. It is vital that brands maintain their promises, adapt products to local needs and cultures, and take the long view on building communities and living in an interconnected world.

Understand the local needs and desires of your customers. Respect the local culture and adapt your products and services to add value.

The world is flat in a fairly general (Google) and occasionally branded (drink Coke) way. Local reality matters profoundly—ask GM in India or anyone trying to do business in Japan or China.

Dr. Gregory P. Shea

Professor

The Wharton School of the
University of Pennsylvania

If you can localize your apps, your products, you will penetrate rich diverse global markets.

Tyler White

App Developer

Flickr Photo Map for iPhone

Local brands have the home-field advantage, provided they qualify as strong brands in their own right.

Nigel Hollis

The Global Brand



Open Source

Open Source is community-generated innovation that leverages the talents of passionate users who contribute their expertise to a meaningful venture. It is a model of collaboration, creativity, and problem solving that challenges the traditional belief in creator ownership in favor of open sharing between creator and user, merchant and customer, employee and volunteer. Linux was one of the first widely accepted platforms built by communities working together in the open for mutual benefit. Originally used for software, open source is now used in product development and innovation in the public and private sectors.

Are you willing to trade predictability for possibility? Explore what happens when you apply open source principles to advance your brand innovation.

Open source is a meritocracy. Everyone has access to the same information, and the best ideas win.

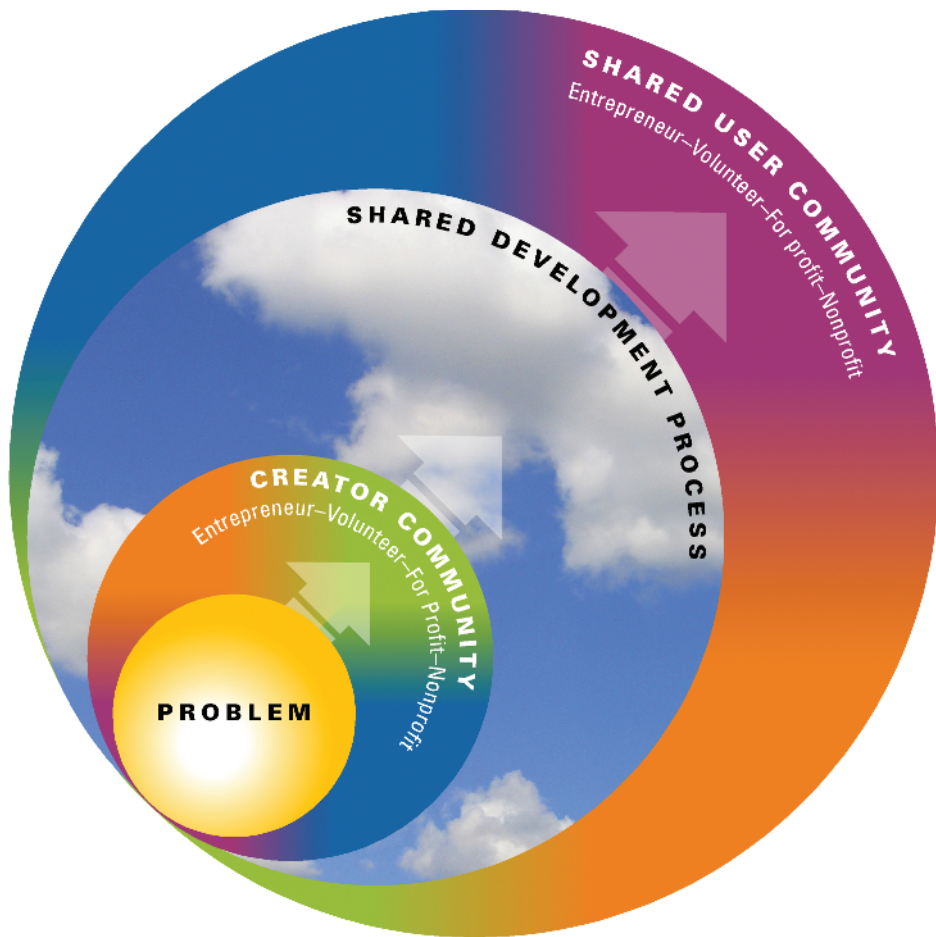
opensource.com

Red Hat has utilized the power of open source as not just a software development model, but as a business and organizational model.

Jim Whitehurst
President and CEO
Red Hat

Wikipedia represents the most powerful new business model of the 21st century: open source.

Daniel Pink
Drive



Social Networks

Free form and evolving, social networks create new groups constantly around issues, events, and preferences. Online communities inspire members to post their profiles, broadcast their opinions, share their photos and videos, and connect with both friends and ideas. Brands that embrace social networking can tune in to their customers intimately, listening to the undercurrents, discovering unmet needs, identifying new markets, engaging new customers, building trust, and creating messages that resonate.

Create a dynamic and immediate communications strategy to leverage the opportunities that social networks offer.

Simply trust yourself and be who you are all the time.

Chris Brogan and
Julien Smith
Trust Agents

Social media is word of mouth on steroids.

Margie Gorman

The number of Facebook's monthly active users exceeds the population of the European Union.

Blake Deutsch

The background is a gradient of orange and red. A large, bright yellow circle is centered in the upper half of the page. A complex network of thin white lines crisscrosses the entire page, creating a web-like pattern. The lines are of varying lengths and orientations, some radiating from the central yellow circle and others forming a dense, chaotic mesh. The word "you" is written in a simple, black, sans-serif font, centered within the yellow circle.

you

Experience

Memorable experiences engage consumers and transcend products and services to create indelible impressions of the brand. The Geek Squad turns mundane computer repair into heroic encounters of a theatrical kind. American Girl Place brings American Girl dolls to life, combining education, entertainment, and retailing in a setting designed to appeal to girls and their moms. The most compelling experiences combine all realms of engagement: entertainment, educational, escapism, and esthetic. A compelling experience generates positive buzz and new ways to generate income.

Consider what might make your offerings more fun and provide a better sense of escape. What could customers learn from exploring new activities? What would make customers want to just hang out and be with you and your brand?

Goods and services are no longer enough.

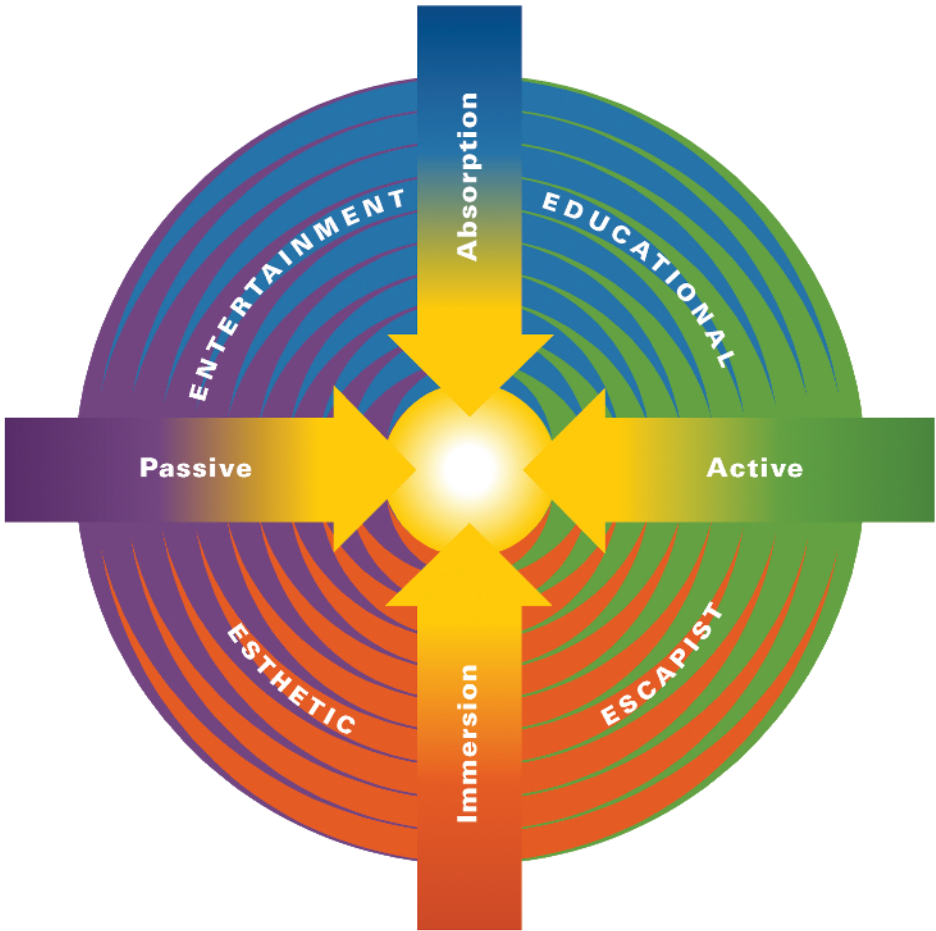
**B. Joseph Pine II and
James H. Gilmore**
The Experience Economy

The American Girl Place is the epitome of the branded experience; it has a strong philosophy, clear values, and a founder/visionary who wanted to create the experience of a lifetime for her customers.

Nancye Green
Principal
Donovan/Green

Yes we're geeks, but we won't talk over your head. When we work with you, we'll walk you through the process so that you can do the little things to keep your technology running smoothly.

geeksquad.com



Passion

Embracing technology, a single passionate individual can inform, inspire, connect, and create. Social entrepreneurs and game changers are no longer bridled by legacy infrastructure, investments, and outmoded ways of thinking. Innovators and brand builders are forming global tribes, tapping into the wisdom of the crowd and open source collaboration. The leader's strong personal brand has the power to forge a community of individuals with a common interest, transcending nationality, gender, and ethnicity.

Start small. Think big. Stay open to all of the possibilities and follow your passion.

Passion is a multiplier of human effort, but it can't be manufactured. It's present only when people get the chance to work on what they truly care about.

Management Innovation eXchange (MIX)

The secret of leadership is simple: Do what you believe in. Paint a picture of the future. Go there. People will follow.

Seth Godin *Tribes*

Everyone is a leader. Growth happens. Whenever it does, allow it to emerge. Learn to follow when it makes sense. Let anyone lead.

Bruce Mau Chief Creative Officer Bruce Mau Design

LEADER

I D E A

Transparency

Transparency is the new privacy. Consumers can access product information, labor practices, and environmental compliance in a few keystrokes. Bloggers reviewing products hold nothing back. Word of mouth can break as well as make a brand. Social networking is immediate and provides platforms to respond quickly and honestly. Traditionally, damage control involved the suppression of information, but those days are over. Companies who need to recover from a crisis must be open, sharing as much detail as possible.

Develop a company-wide approach to community and customer response. Create a crisis communication plan and train top executives and spokespersons in risk management.

It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.

Warren Buffett

The reputation economy creates an incentive to be *more* open, not less. Since Internet commentary is inescapable, the only way to influence it is to be part of it.

Clive Thompson

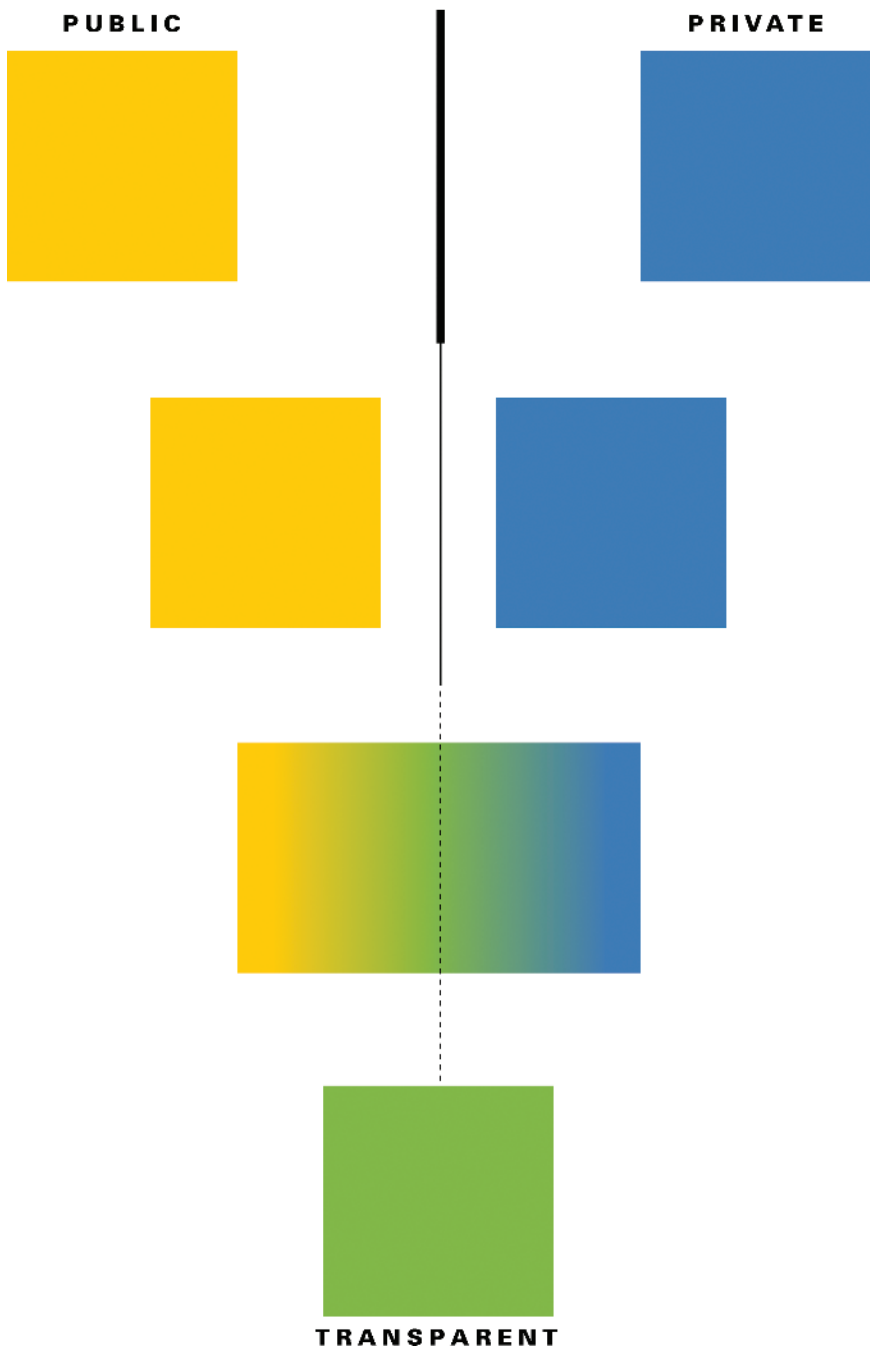
Wired

By giving people the power to share, we're making the world more transparent.

Mark Zuckerberg

Co-founder

Facebook



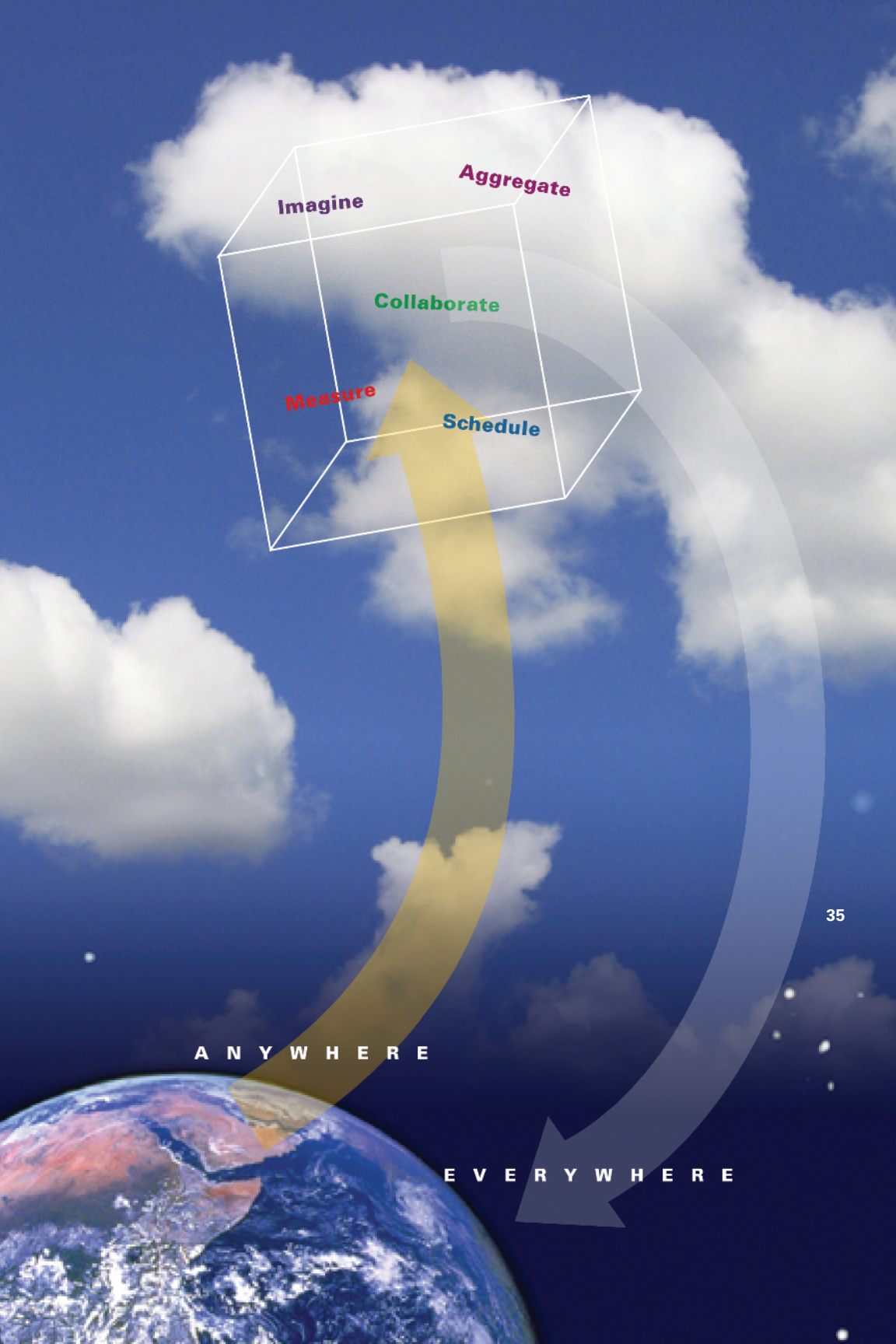
The Cloud

Cloud computing is shifting IT applications from computers to the web, where they are shared by employees at the home office, the field force in Tokyo, engineers in Abu Dhabi, and consultants in São Paulo. The whole team can retrieve vital brand resources anywhere, accessing documents and collaborating easily. For brands, which depend on consistency, agility, responsiveness, and seamless communication, cloud computing means that messages, processes and tools can be transmitted instantly, and globally, reaching team members via their mobile devices or computers.

Select a platform that fits your needs for collaboration, project management, or analytics.

The move to the cloud, where applications and information are hosted on remote servers rather than privately owned computers and databases, is the latest paradigm shift in computing.

IBM Smarter Planet



Imagine

Aggregate

Collaborate

Measure

Schedule

A N Y W H E R E

E V E R Y W H E R E

Sustainability

Making a difference has become integral to building brands. Consumers are shopping their values, and businesses are rethinking their social responsibility, their value proposition, their product life cycles, and their environments. The triple bottom line—people, planet, profit—is a business model that represents a fundamental shift in how businesses measure success. A new generation of social entrepreneurs believes that business can be a positive force for social change.

How can your organization make a difference? How does your leadership measure success? What values are important to your customers?

Businesses acting as businesses, not as charitable givers, are arguably the most powerful force for addressing the issues facing our society.

Michael Porter

Bishop William Lawrence
University Professor
Harvard Business School

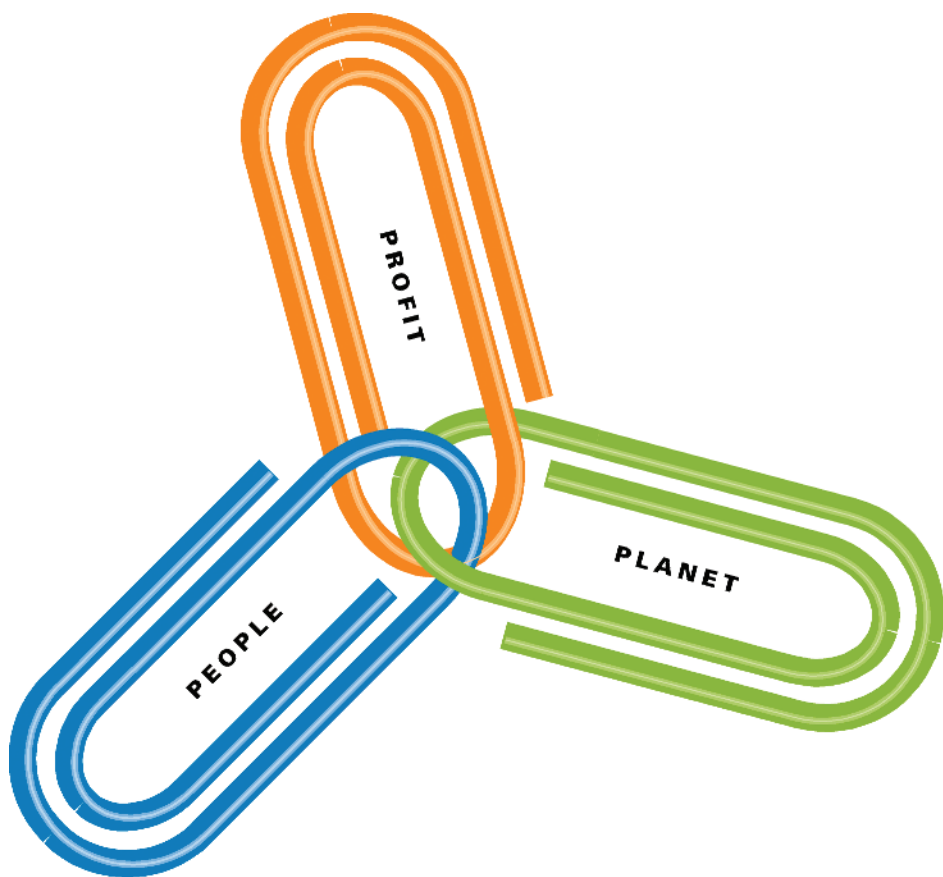
With every pair you purchase, TOMS will give a pair of new shoes to a child in need.

TOMS Shoes

We're open to manufacturing product anywhere as long as they meet our criteria for human rights and safety and everything else.

Bert Jacobs

Co-founder
Life is good



Mobility

The iPhone, iPad, Droid, and other mobile devices have freed users from their desktops, allowing people to communicate, conduct business, post, play games, shop, and follow their friends. Employees will be soon be going to their company app stores to get sanctioned applications that can be customized for their own work environment. Location-based apps help retailers communicate with nearby customers, and shopping apps allow chains to constantly market new products. Apps have become the new collectible for consumers, and every brand needs them.

Does your brand have an app? Has your website been optimized for mobile devices? Is your company ready to use mobile apps in the workplace?

By 2015, Forrester Research predicts that half of all devices on US corporate networks will be mobile.

Bloomberg Businessweek

Whirlwind is IBM's online storefront for employees, offering apps for everything from approving purchase orders to scheduling meeting rooms.

Bloomberg Businessweek

Mobile is the new online, online is the new offline! That means mobile is the new ad network, the new data substrate, the new product screen, the new shopping list.

Paul Kedrosky
Infectious Greed blog



Crowdsourcing

Big consumer brands use crowdsourcing as a way to engage their audience in brand building, inspiring customers to make a video, create a slogan, or design something cool in exchange for a moment of media glory. Nonprofits issue an open call on the web in hopes of generating original marketing. User-generated content is evolving into user-generated creativity. Crowdsourcing accesses the collaborative culture of the web to attract and motivate consumers. Honesty, clarity, and carefully communicated expectations and outcomes are necessary.

Determine whether crowdsourcing will help you attract more customers, gain marketing insights, or dilute your brand positioning. Ensure that the PR and brand management functions are in sync.

In open source, everyone who contributes benefits. Crowdsourcing may have many contributors but fewer beneficiaries.

Chris Grams

President and Partner
New Kind

Crowdsourcing is the act of taking a job traditionally performed by a designated agent (usually an employee) and outsourcing it to an undefined, generally large group of people in the form of an open call.

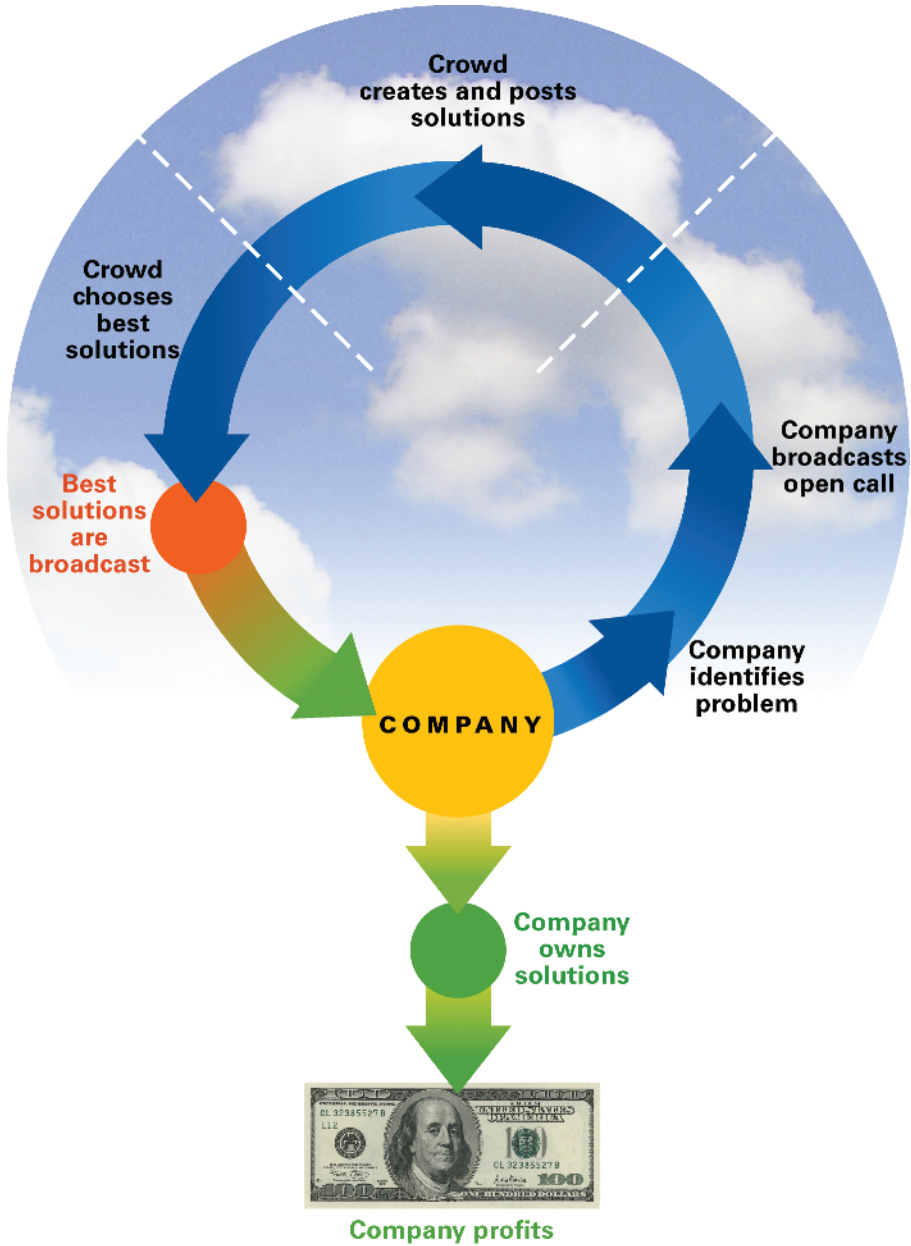
Jeff Howe

Crowdsourcing

If creativity is the gift of a talented few, why are so many people suddenly creative?

Patricia Martin

Tipping the Culture



Free

Freeconomics is one of the biggest challenges facing traditional businesses, like newspapers, who have learned that sooner or later you will compete with free. It drives the huge profits of digital companies like Google and jump starts bands like Radiohead. It may mean redesigning the relationship between the company and its audience and redefining the market. When radio started broadcasting—for free!—the same questions about monetization arose. Can free be profitable? Yes, but finding the right formula can be a challenge.

Be intentional and strategic about what you offer for free. One way free makes money is by making other things more valuable, like free iPhone apps that charge for expanded features.

The truth is that zero is one market and any other price is another. In many cases, that's the difference between a great market and none at all.

Chris Anderson

Free: The Future of a Radical Price

Once a marketing gimmick, free has emerged as a full-fledged economy.

Chris Anderson

Wired

Who doesn't love freebies in life?

The Fring app



Placemaking

Placemaking, a new brand competency, creates experiences for consumers across an array of venues, offering encounters so engaging and true to the brand that they spark loyalty and word of mouth. Visiting an Apple store is like stepping inside an iPad. Similarly, LEGO's portfolio of Legolands, Imagination Centers, Mindstorm experiences inside science museums, and its User Group Network let customers directly experience the brand. Brands must prove they are what they say they are in intentionally designed places, both physical and virtual.

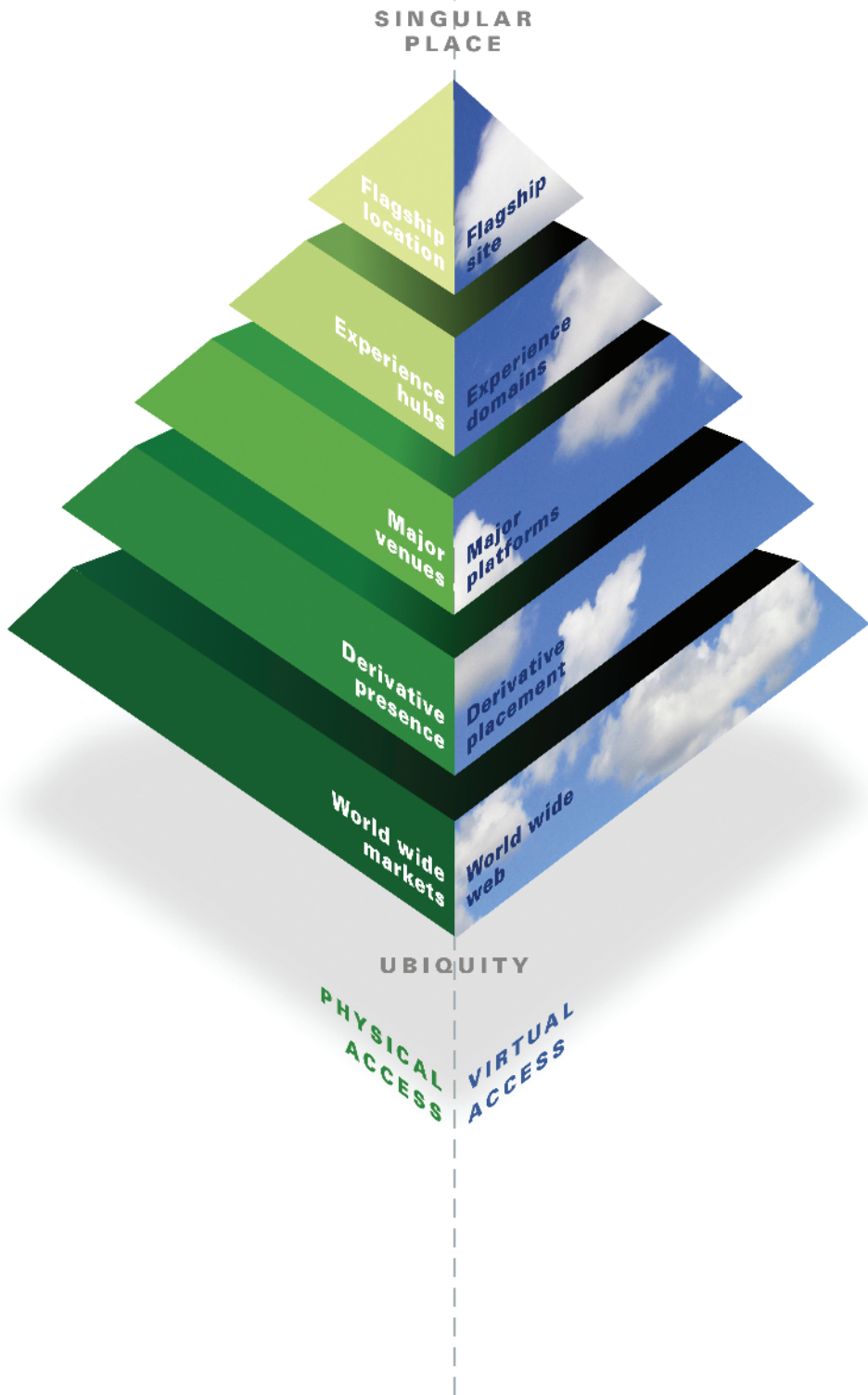
Consider what portfolio of experiences, from singular flagships to those ubiquitously accessible worldwide or on the web, would best create demand for your offerings.

The experience is the marketing. A brand is the promise of an experience.

James H. Gilmore
and **B. Joseph Pine II**
Authenticity

Provide a place for customers to understand, use, play with, and fundamentally experience your offerings in a place and time that demonstrates that you are what you say you are.

James H. Gilmore
and **B. Joseph Pine II**
Authenticity



Choice

Today's consumer is accustomed to a precise level of choice in product selection. A family of three may routinely purchase creamy peanut butter for their son, crunchy for Dad, and salt-free for Mom. Teens may insist on an iPhone, college students request an iPad, while their parents are happy with a Droid. A product with distinct features, pricing, or service will attract its own audience. The vital brand challenge is to dramatically tell each product's story so the appeal reaches the market.

Make it easy for your customers to discern between the choices you've provided. Brainstorm different choices to attract new customers and consider opportunities to customize.

The expansion of choice has become an explosion of choice, and while there is something beautiful and immensely satisfying about having all of this variety at our fingertips, we also find ourselves beset by it.

Sheena S. Iyengar
The Art of Choosing

Mass customization is efficiently serving customers uniquely. Customers are markets of one—everyone is unique and deserves to get exactly what they want at a price that they are willing to pay.

B. Joseph Pine II
Co-founder
Strategic Horizons LLP

CHOICE OF PRICE / QUALITY



CHOICE OF STYLE