

Chapter 1

Putting Brands and Branding in Perspective

In This Chapter

- ▶ Orienting yourself to what brands are all about
 - ▶ Understanding the power of branding
 - ▶ Committing the necessary people, resources, and time to build a brand
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Maybe you're gearing up to brand a new business or a product. Maybe you have an established brand and it's time to undertake some brand updates or brand extensions. Maybe your brand needs repair. Or maybe you're planning for a minor-to-major overhaul or the drastic move of a full-fledged rebranding.

Perhaps you simply want to come up to speed — in a hurry — on the whole topic of branding and how to do it best. Or, maybe you 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 you should take to end up with the brand you set out to build.

You've chosen the right book. Of the thousands of resources out there on the topics of brands and branding, you've opened the one that's branded with the *For Dummies* promise: *Making Everything Easier*.

The primary job of branding is to transform a complex message into simple and clear communication. This chapter gets you going with a simple and clear overview of the reasons brands matter, branding steps to follow, and how the brand value you develop far exceeds the time and effort you invest.

Wake-Up Call: You Probably Have a Brand, Whether You Know It or Not

When people encounter your name, they conjure up impressions and memories that determine their beliefs about you. Their notions may be the result of direct dealings with you or your organization or they may stem from web-search results, good or bad publicity, word-of-mouth, online reviews and ratings, or any other mentions that plant thoughts about you in their minds.

People may have a deep well of perceptions about you, or your slate in their minds may be nearly clear of any impressions whatsoever. Regardless of whether the beliefs people hold about you are many or few, good or bad, or accurate or inaccurate, they comprise the image of your brand, influencing how customers think and buy. Branding is the route to making sure that your brand image in the minds of others is perfectly aligned with the brand image you want them to have.

What Are Brands, Anyway?

Brands are promises. More complete definitions follow, but as you venture into the world of branding, keep those three words and these three truths in mind:

- ✓ **You establish your brand by building trust in a one-of-a-kind promise.** Your promise conveys 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 time people come into contact with you, your name, your message, or your business.** It makes no difference whether that contact is through a web search, your website, social media, advertising, publicity, word of mouth, the buying experience, customer service, billings, returns, or any other form of communication. Every encounter affects how others perceive your brand.
- ✓ **You strengthen your brand by constantly reinforcing your brand promise.** If encounters with your brand aren't in line with what people expected, those experiences essentially break your promise, breaking your brand and risking your reputation as a result.



Building brands takes focus, passion, persistence, and diligence. Plus, brand building requires effort and commitment. The payoff, and it's a big one, is that strong brands power personal and business success. The following sections shed light on what brands do and why they're such a big deal.



It's about perception, not the logo

We want to clear up a branding misconception: A logo isn't a brand. A logo is a symbol that represents a brand. Your brand isn't how you look or what you say or even what you sell. Your brand is what people trust and believe you stand for. For example:

- ✓ Starbucks sells coffee and, increasingly, other beverages. It stands for daily inspiration.
- ✓ Apple sells computers. It stands for thinking differently.
- ✓ Disney sells animated and amusement-park family entertainment. It stands for imagination, wholesome fun, and making dreams come true.

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

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, as detailed in the next few sections.

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 display 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 to follow as you cultivate 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.

Brands make selling easier

People prefer to buy from companies they feel they know and can trust. Brands put forth that assurance.



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

When people are aware of your brand and its unique and positive attributes, they understand what you stand for 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 because they don't need to explain themselves.

Without positive brand awareness, you have to build a case for the value you deliver 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.

Brands prevail over no-name offerings

In the marketplace, you have either a one-of-a-kind brand or a one-is-as-good-as-any-other commodity.

- ✔ **Brands are products defined by and chosen for their unique distinguishing attributes and promise.** Consumers are willing to spend extra effort and money to obtain the brands they believe in.
- ✔ **Commodities are products that are easy to substitute and hard to differentiate.** Oil, coffee beans, wheat flour, and milk are commodities. Consumers buy commodities because they meet minimum standards and are available when and where they're needed and at the lowest price. Only commodity items that are distinguished by a unique attribute and promise — think of Pillsbury flour as an example — develop into strong brands.



As proof of how brands pave the way for positive decisions, imagine you're setting out to buy a 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 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 is a costly route to a sale in a brick-and-mortar setting, and it's even a tougher proposition online, where no one is standing by to offer explanations, inspire confidence, counter resistance, or break down barriers for your consumers.

Flip to Chapter 2 for more on outselling budget-busting commodities with your brand.

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:

- ✓ People are willing to pay more to buy brands that they believe deliver outstanding and desirable benefits. This is true for business brands, product brands, and personal brands, which are the focus of Chapter 4.
- ✓ 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 can grow their businesses by leveraging their brands into product and line extensions rather than having to introduce new products from scratch.
- ✓ 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 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

With more new businesses and products than ever before, and with a competitive arena that — thanks to the Internet — stretches all the way around the world, brands are more necessary today than ever 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 brand development 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. 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.

Gaining Your Branding Bearings

People confuse branding with designing a logo. Or they think branding is a matter of creating a great website, great ads, and consistently great marketing messages. But branding is way more than any of that.

Deciphering branding lingo

Following are some need-to-know terms:

- ✔ **Brand:** The essence and idea of what you stand for. Your brand starts with a vision and grows into a promise about who you are and what you stand for that gets reinforced every time people come in contact with any facet of your business or organization.

- ✓ **Brand identity:** The name and visual marks that present your brand, usually in the form of a logo, symbol, or unique typestyle, as well as all other identifying elements including colors, package shape, even sounds and smells associated with your brand.
- ✓ **Brand image:** The beliefs about what your brand is and what it stands for that exist in the customer's mind as a result of all encounters, associations, and experiences with any aspect of your business or organization.
- ✓ **Branding:** The process of building positive perceptions in your customer's mind by consistently presenting the vision and idea of your brand so others understand and believe what you stand for and the promise you invariably make and keep.
- ✓ **Brand position:** How your brand fits in with and relates to various other brands within your competitive market.
- ✓ **Brand management:** Controlling the presentation of your brand identity, message, and promise across your entire organization and through all communication channels, and protecting your brand identity against infringement or misuse.
- ✓ **Brand equity:** The value of your brand as an asset based on its qualities, reputation, recognition, and the demand, loyalty, and premium pricing it generates.

Armed with an understanding of the above terms, you can navigate branding conversations just fine. Plus, throughout this book we introduce other terms — brand message, brand promise, brand strategy, brand extension, brand revitalization, rebranding, and many others — that will be useful as you take specific branding steps. Use the index to beeline to other definitions.

Branding's essential ingredient

Originally we titled this section “Branding’s essential ingredients.” Lucky for you, we changed the plural to a singular. Brands are built around four fundamentals: differentiation, relevance, esteem, and knowledge. But the magic ingredient that converts those fundamentals into a branding success story is *consistency*.



In branding, consistency is the single most important ingredient for success. Here's why:

- ✓ If you bring consistency to your branding program, you build a brand that stands head and shoulders (no branding pun intended) above the others.

- ✔ If you have a clear and passionate vision about what you stand for and project messages to your target market that constantly reinforce how your offering is different and relevant, you build knowledge and, eventually, esteem.
- ✔ As a result of your consistency, you win out over businesses that shift with the wind, regardless of how beautifully they've polished their identities or their marketing materials.

Too many companies develop award-winning logos and marketing materials only to have their brand images go sideways when the customer has an actual brand experience. In Chapter 2 we make the analogy that treating branding like a skin-deep solution is like putting lipstick on a pig: False promises don't work. Your brand must be an honest, accurate reflection of who you are.

Turn to Chapter 6 for assistance as you define your brand and put your desired brand image into words you can live up to. Then turn to Chapter 14 for help developing a brand experience that ensures consistent presentation of your brand through every single customer encounter.

Branding's altered environment

What a difference a decade makes. Since 2006, when the first edition of *Branding For Dummies* hit bookshelves, the world in which brand-builders operate has undergone seismic shifts. Although the definition of what brands are and do remains unchanged, the expectations of today's always-screen-connected consumers have vastly affected branding tactics. Here are the new realities:



- ✔ **Every brand needs an online home base.** Even if your customers are among the rare few who don't go online for information, those who influence them do. Without a fast-loading website or major social-media pages that you control and keep updated, you lack an essential brand-building tool. Chapters 10 and 11 outline steps to take.
- ✔ **Online search results make or break brand images.** In the now-famous words of former *WIRED* Magazine editor Chris Anderson, your brand is what Google says it is. Before they meet you in person or consider a purchase of your products or services, people in ever-greater numbers check you out online. Their search results often form the first impressions of your brand. And even after making initial contact, they tune into and trust word-of-mouth-comments and online rants, raves, and mentions more than they trust (or tune into) your marketer-generated communications. Your brand has to be visible, engaged, and interactive online to stay part of the dialog. Chapter 11 makes the job easier.

- ✔ **You have only seconds to pull people to your brand, no matter the communication channel.** Only good branding can turn your name and logo into a familiar face that wins a second glance, and only messages that reach out and grab interest can convert that interest to action. Make Chapter 12 your guide as you plan ads, promotions, and publicity efforts.
- ✔ **Customers expect a consistent experience whether they're encountering your brand online or in-person.** They expect your brand to look, act, and deliver on the same promises whether they're dealing with your website, social-media pages, brick-and-mortar location, products, promotions, or staff — before, during, or after the purchase. And they expect your online and offline locations to interact seamlessly, with web pages offering one-click phone contact and arrival directions and physical locations supporting online purchases. Turn to Chapter 13 for help building, auditing, and strengthening an across-the-board brand experience capable of winning and keeping customers and loyalty.

The never-ending branding process

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, look at Figure 1-1.

The red-hot history of branding

People associate the word *brand* with ranching in the Old West, but the history of branding goes way farther back in time.

Archaeologists trace the concept of branding back to marks on 5,000-year-old Babylonian and Greek pottery shards, and relics from the medieval age show makers' symbols seared onto everything from loaves of bread to gold and silver products.

In the 1800s, brands emerged as a marketing force when manufacturing breakthroughs led to mass production that generated a glut of products vastly beyond the needs of any one local market area. Manufacturers who were used to presenting, explaining, and selling their goods to friends and neighbors were suddenly shipping 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 worked to gain far-reaching awareness and belief that their names stood for quality, distinction, and honesty. In short order, the concepts of branding, publicity, and advertising gained momentum.

Two centuries later, when eight out of ten purchases are influenced by information found on websites and 80 percent of people research and establish the credibility of businesses and individuals through web searches, online visibility of brands has become a prerequisite for business and personal success.

Through it all, the purpose of branding remains the same: To build, maintain, and protect a positive image, high awareness, and product preference in consumers' minds.

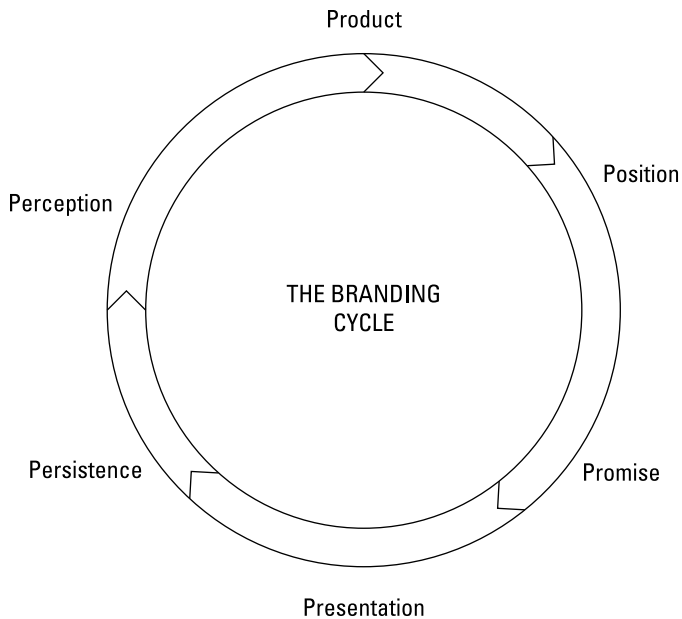


Figure 1-1:
An at-a-glance view of the branding cycle.

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Branding is a circular process that involves these actions:

- 1. Product definition:** You can brand products, services, businesses, people, or personalities. The process starts by defining what you're branding and whether your brand will be your one-and-only or one of several in your organization. Chapter 2 provides 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 brand's point of difference and the unique position it (and only it) fills in the marketplace, see Chapter 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 it 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 communications that establish your brand, convey a compelling message, engage your audience, and foster the kind of two-way brand communication and interaction demanded by screen-connected and empowered consumers. The chapters in Part III tell you when, where, and how to send your brand message into your marketplace.

- 5. Persistence:** This is the point in the branding cycle where too many brands lose steam. After brands are established, brand owners often 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 17 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 you offer, promise, and stand 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 16 provides 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 products, fine-tuning positioning statements, strengthening promises, updating presentations, rewriting brand-management rules, and, once again, monitoring perceptions in preparation for brand realignments and revitalizations.

Assembling your branding team



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

Involving your whole organization

Whether you have a one-person team or a 1,000-person team, every person in your organization has to be involved in building and maintaining your brand. Here are the key players:



- 1. Organization leaders:** Enlist the leadership and buy-in 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 team:** This group takes on the day-to-day responsibility for advancing, maintaining, protecting, and fine-tuning the brand. From this team, name one person to serve as your brand manager and chief brand protector, choosing a top-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. Team of brand champions:** 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 help from branding professionals

Brand development requires professional expertise and effort from those within and outside your organization. Pick and choose from the following professional resources:

- ✔ **Brand consultants:** These firms specialize in soup-to-nuts creation, building, and management of brands. They're experienced at positioning, naming and trademarking, logo development and all aspects of launching and managing brands. If you're 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. An experienced PR professional can help you develop the right news hooks and angles to 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. If brand publicity is an ongoing objective, a PR firm with greater staff and media resources may be the way to go. (Flip to Chapter 12 for more on public relations.)
- ✔ **Brand identity (logo) designers:** If you need help only with logo development or refinement, hire a graphic designer who specializes in brand identity who has a proven track record and a portfolio of success. Ask to see samples to be sure 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 award-winning packaging, and even for their public-relations departments. Chapter 13 includes guidance for determining your needs, locating the right resources, and working 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.



When selecting a firm, use these 3 Cs to help determine if they are right for you:

- ✓ **Are they competent?** In other words, do they have the experience?
- ✓ **Is the chemistry right?** Do they get us?
- ✓ **Do their compensation needs fit within our budget?**

Gulp! How much does it cost?

Branding 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. What's more, budgets vary depending on whether you can reach your market through digital communications and social media or whether you need to invest in traditional media and marketing channels.

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.

<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 (website and brand marketing materials)	\$10,000	\$250,000+
Advertising	\$10,000	Millions annually
SEO (website search-engine optimization)	\$1,000 monthly	Thousands monthly
Social media	Your time	Hundreds of thousands 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 level and the high-end costs involved to build a powerful brand that can flex its muscle nationally or internationally.



As you 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: *In essence, your business is your brand and your brand is your business.*

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 everyone in your organization knows 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, aim instead to have the most amazing and amazingly consistent brand encounters. Chapters 13 and 14 help you deliver a brand experience that never lets consumers down and never leaves them wondering what you stand for.

When people choose your offerings, what they really buy into is your brand. How well you define and deliver your brand determines the ultimate value and success of your business. View branding not as an expense but as an investment that delivers value over the long haul.

Pop Quiz: Are You Ready to Brand?

Is branding the right next step? 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 business, product, or personal effort 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 worry 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 study your marketing materials, personal presentations, and the ways that people encounter you or your business, do you see inconsistencies in the look, message, and 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 so, turn the page and start building your brand!

