

What Great Brands Do: Denise Lee Yohn on How Not to be RadioShack

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This edition of the Blinkist podcast features Denise Lee Yohn, author of the book [What Great Brands Do](#).

In the interview, Lee Yohn and I talk about why all branding starts inside, and how exactly Sony implemented that idea when Lee Yohn was there. Then we get into what ever happened to brands like Saturn and RadioShack – remember them?

We also try something new: Lee Yohn and I read brief bits from some of our favorite branding books.

A quick intro to Lee Yohn: After her time as brand leader at Sony, Lee Yohn worked on many other big brands, including Land Rover, Jack in the Box, and Burger King. She currently runs her own brand consultancy in addition to giving speeches and writing for the Harvard Business Review blog, her own Brand-As-Business Bites blog, and many other outlets.

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Ben Schuman-Stoler: Thanks so much for taking the time to come on to the Blinkist Podcast.

Denise Lee Yohn: Thank you, Ben.

BSS: The people out there don't know, but I asked you to bring, or to select a text from something that's not your book, like a nice paragraph . And I also brought something. I thought maybe we could do something different this time and start off with – I mean, tell me what you brought and give it a read and we'll see if what I got is similar or we'll see what happens.

DLY: Ok. Well I'm so excited to share this with you because it's from a book called Eating the Big Fish: How Challenger Brands Can Compete Against Brand Leaders. It was written by Adam Morgan back in 1999, so it's over 16 years old at this point. But it was probably one of the most illuminating books that I read back then and I continue to refer to it regularly today, so that's why I decided to select it as the source for my passage.

BSS: Cool!

DLY: And I just picked a few little pieces from the introduction because I think it explains a little bit about what the book is about. So should I go ahead and share?

BSS: Yeah, go for it!

DLY: So this is Adam writing, ok, and he's talking about how at that time he tended to work on brands that were not market leaders, but kind of underdogs. So he was looking for sources to help him figure out brand strategy for these companies and he writes:

“The more I searched, the more the answer seemed to lie in what a colleague of mine gave the name of ‘Challenger’ Brands. Second-ran brands that had demonstrated growth in the face of a powerful and established brand leader.” Then he goes on to say, that the bulk of this book that he's written, again it's called Eating the Big Fish, “is given over to an analysis of certain strands which I had called the 8 credos of Challenger Brands. So the 8 credos of Challenger Brands are:

1. Break with your immediate past
2. Build a lighthouse identity
3. Assume thought-leadership of the category
4. Create symbols of re-evaluation
5. Sacrifice
6. Overcommit
7. Use advertising and publicity as a high-leverage asset
8. Become ideas-centered rather than consumer-centered.”

And he closes this introduction by saying that, “Challengers seem to succeed not just through original marketing, thinking, and strategy, but by carrying through the strategy into Challenger marketing behavior. And the attitude, the driving sense, both of opportunity and need that Challengers establish for themselves right at the outset of their enterprise is what drives that to completion.”

BSS: Nice one! So why'd you pick that?

DLY: You know, I think that there's been so much written about market leaders, and I hear from many people who are like, well you know, knowing how Apple is successful or knowing how Nike or Starbucks has gotten to be successful is interesting and helpful but certainly a lot of us are more of these underdog brands. We're not as resourced, we're new and we're trying to shake things up. Particularly I think in this market economy where there are these disruptors and these smaller, emerging brands that seem to be really disrupting their categories, I think people are looking for how you successfully challenge the market leader.

So the book concept, I think, has a lot of relevance even today and then the specific credos or specific strategies that Adam outlines are just brilliant. He pulls from lots of different case studies that show how these actually work. It's been inspiring and instructive to me as a brand builder to think about how you create a brand that really will take down the category leader.

BSS: So, I'm looking through my notes, is that not in the chapter – I think you mention him in the chapter Don't Chase Customers, right?

DLY: Wow, Ben, you really read my book and remembered it!

BSS: Oh for sure! This is no joke, man! This is for real, real-time podcast action.

DLY: Yeah! I'm very impressed and yes, so I did reference him and I believe in that chapter – in fact it's been a long time since I've read my own book – so, clearly I'm still referring to him and this seminal piece of work years later.

BSS: Yeah I think what's cool, to connect that to your book, the thing that really stood out to me are two things: One is this idea of commitment, which is all over your book right? The concept of brand as business, making the brand a focus for the entire business, relies on serious commitment, and not just, you know, doing a new logo or new ad campaign. But seriously from day one, no matter how long it takes.

And the other thing besides that commitment is this ideology thing which of course, gets into the mystical, weird, little swishy, “brandy” stuff that you can't really put your hand on –

DLY: Pixie dust, right?

BSS: Yes! So how do you do that, as a challenger brand? And can we focus on commitment and ideology?

DLY: So the example, one of the examples that Adam uses in his book on the chapter about commitment is Saturn.

BSS: The car company?

DLY: The car company. Like I said we're going back into the mid-90s.

BSS: Right, that's when I last had a Saturn.

DLY: But you know what Saturn did is say we're going to be a different kind of car company, so we're not only going to make a different kind of car, but we're going to make a different kind of car buying and owning experience. I think they were one of the first, if not the first, to eliminate commissions for their salespeople in their dealerships.

I think that Adam's point was that when you set out to do something different, you can't just do it in matters of degree. You really do need to go whole-hog and really commit. Despite all the pressures from your corporate owners or your investors or the industry or the media or analysts, you need to just say this is what we believe in and we're going to do it even though it doesn't make sense.

I always talk about how when you commit and stay committed to the core of your brand, you're going to do things that seem illogical. But that's what great brands do.

BSS: And it also means being committed to an ideology right? I would really love to talk a little bit about the Jim Collins concept of "Core Ideology" –

DLY: And it's also a book that I use a lot as well. I also say that great brands are idea-led and consumer-informed. And the reason why I put it that way is because I think that when you have to have some kind of idea or some kind of ideology, some belief that is driving you, some point of view about the world and the difference that you want to make in it.

Because running a company and building a brand is certainly not easy – it takes a lot of sacrifice and a lot of investment – and if you don't strongly believe in your idea and if that idea is not clear and focused, you're going to end up wasting a lot of your resources, or you're going to end up not standing for anything really.

And I think what great brands do though is they are so committed to the idea. Now that's not to say that, some people are like, you know, customer-first and customer-driven and customer-led and I think the concern or the danger of that is that customers can pull you in lots of directions that may make sense for them but don't make sense for you as a company or an organization and as a brand. So I think that you need to be able to say, we understand who we're trying to appeal to and what they want is very important to us, but we will always be first committed to our idea and then be informed by what we know about our customers.

BSS: This is interesting because I guess the question I wrote down about this is, so what's the most common or difficult obstruction to focus on the core of that brand, to focus on this idea? But even a step before that we have to talk about who's actually thinking about this, you know? You're saying, "you have to," "a company has to" – but who's actually responsible for that? It's not the head of marketing, it's not CEO, it seems like it's everybody.

DLY: Yes, although I do think that it needs to be driven by the top leadership of the company, and it doesn't necessarily have to be one person, but it needs to be the key people, the key leaders of the organization. They're responsible for engaging and aligning and inspiring and motivating everyone within the organization to also be committed to that ideology.

But to answer your question about what gets in the way, I think it really is short-term-itis. It's the pressure to produce short-term results and the desperation that a lot of business leaders feel when things are not going well for them. And certainly I think privately-held organizations have more flexibility or leeway – they give their leaders, or the leaders have, more flexibility and leeway to, I don't want to say ignore the short term, but definitely be focused on the long-term.

But even publicly traded companies and my all-time two favorite examples that I always use all the time are Amazon and Starbucks: Both of them are publicly traded and their investors are very active and engaged, but the leaders of

the organization are willing to tell the investors, hey, we're going to be focused on the long term and the way you're going to measure our performance is over the long term. So we're going to stay committed to our core ideology and if you're not in it for the long term, then we're not the investment for you.

BSS: Right, so it's almost like if the biggest obstruction or difficulty is short-termism, the best solution is long-termism.

DLY: Yes. And I think leadership that is committed to that long-termism.

BSS: Right. Ok, so now I think I should read what I brought.

DLY: Yes!

BSS: So I was looking around the office, I was tempted to read from Tribes, the Seth Godin book, but then I was like, everybody's going to think that's what he's going to pick. So I found a really interesting book that I read last year called The Brand Gap. Do you know this book?

DLY: Oh yes! Marty Neumeier!

BSS: Yeah!

DLY: Also a great text, yes.

BSS: It's fun. He calls it a whiteboard overview because there's a lot of drawings and there's only like 70 words on each page, which is really nice. So basically I picked just when he introduces the brand gap.

He says, "Strategy and creativity in most companies are separated by a mile-wide chasm. On one side are the strategists and marketing people who favor left-brain thinking – analytical, logical, linear, concrete, numerical, verbal. On the other side are the designers and creative people who favor right-brain thinking – intuitive, emotional, spacial, visual, physical.

Unfortunately the left brain doesn't always know what the right brain is doing. Whenever there is a rift between strategy and creativity – between logic and magic – there's a brand gap.

The gulf between strategy and creativity can divide a company from its customers so completely, that no significant communication passes between them. For the customer, it can be like trying to listen to a state-of-the-art radio through incompatible speakers: The signal comes in strong, but the sounds are unintelligible."

And then he talks about the "psychic distance" idea between customers and companies. And the reason why I chose this to read is because I think my favorite part of your book What Great Brands Do talks about internal brand building, and why that's important, and how to actually do that.

So, the question to you is, How do you do that? How do you cover the Brand Gap? How do you get everyone aligned on brand ideals?

DLY: Well it starts by being sure that you have a clear and focused brand ideals. And that they are clearly articulated and at least the leadership team agrees and commits to them. Without that kind of foundation, again, you're going to be all over the place.

But once you do that I think it has to be very concerted. It's not a program or initiative like, "We're going to do this brand engagement program for the next six months." It's really a way of doing and being as an organization. It's constantly engaging your people, informing them of what your brand ideals, and what your brand purpose, and brand attributes, and your brand positioning are. Informing them and explaining the rationale so you get it in their heads.

Then there's this motivation, this igniting passion, getting people excited. A lot of times that's really telling stories about the brand and about the company and about customers. So you get people engaged with their hearts.

And then, you give them tools and instructions and guides and planning frameworks and layout processes, or help them lay out processes, that enable them to support and advance the brand in their daily decision-making and behaviors.

So as an organization – and this probably would end up being something that your training and development, or your organizational development, group might spearhead – this really is an overarching way of being for the organization that you're constantly engaging your employees and your key stakeholders with your brand.

BSS: So let's get into some nitty-gritty, some specifics. There are a lot of examples in the book but I would just put it to you. What's your favorite example of leadership clearly identifying these ideas? What were those ideas and then how did they exactly implement them into the company?

DLY: Well, I'll talk about my experience at Sony Electronics since I know it best since I lived it.

BSS: Cool.

DLY: This was back in the early 2000s when Sony was still very much the dominant consumer electronics brand. But even at that point the president and chief marketing officer of the electronics company here in America sensed that we can't take this brand advantage for granted. So rather than saying, "Let's launch some fancy brand campaign on the outside," they decided what we really needed to do was focus on internal engagement and alignment.

So we did articulate the building blocks of the brand very specifically, because up until that point no one had really bothered to write them down. It was kind of like an intuitive sense of what the Sony brand stood for. But we articulated our core belief as, "We create technologies that inspire people to dream and find joy." So that was one of the building blocks. Then we had the Sony style attributes and the Sony identity and so we clearly articulated all this out.

Once we had these building blocks together, we then engaged all sorts of activities to get people to become familiar and to start using them. So, for example, at the national sales meeting we did this game show quiz for all the sales people about the role and the value and the building blocks of the Sony brand.

2b. One of the attributes or elements of the Sony brand we identified was this phrase: "We do what others don't." It's actually a quote from Akio Morita, who started the company. But anyway when the sales people started thinking about, well what does "We do what others don't" have to do with me, they started thinking about well, when we go into Best Buy and we are selling our products to Best Buy, are we doing the standard sales presentation? Are we doing the standard contract and engagement with our retailers? Or are we doing what others don't? Are we presenting our brand, are we presenting our products, presenting our offers, our deals, to our retailers in a way that is truly unique and innovative?

Taking them through this process of thinking about it, they were able to re-conceive their sales presentations.

The last thing I'll point to is that we created a Brand Touchpoint Wheel, which is a visual representation of all the different ways that someone from the outside world comes into contact with the brand, the Sony brand. And then all the internal groups, or internal departments and processes, that affect those external touchpoints.

What was really helpful about putting that touchpoint wheel together is that only 40 out of the maybe 240 touchpoints that we identified were advertising and marketing-related touchpoints. And I think because everyone started to see, oh my gosh, what I do as the person in Legal who's writing our warranty information – that has an impact on the way people perceive our brand, oh my gosh, maybe I should really be thinking about this differently. It really opened people's eyes to how we are all a part of shaping brand perceptions in delivering the Sony brand.

So those are just a few examples of the things we did but it was really, you know, this head + heart + hands + feet engagement with the brand that we undertook.

BSS: So were you pleased with how that all went in the end?

DLY: I'll say a "yes, but!" Yes, in the sense that I think for a period of time after we initiated this there were some really remarkable changes. Sony went from going to market on a very product-category basis to a customer-segment basis and it really, I think, changed the way that we engage our customers and other pretty important shifts.

But I will say that there was a lot of turnover at Sony at the time, and after a while new leadership came in and revitalizing and focusing on the Sony brand was no longer important to the new leadership and so they started to de-prioritize those efforts. And that's eventually why I ended up resigning and leaving the organization. Because at some point what I believed was important for the organization to focus on was no longer what the leadership thought was important.

BSS: I mean, you ended up ok, it seems!

DLY: I hope so!

BSS: What's your favorite mistake a brand ever made? Or, is there a brand that you really hate right now?

DLY: Oh, wow.

BSS: I'm trying to ask a negative question but I don't know which one to choose. You can take your pick.

DLY: Yeah, I think, you know, I'll pick on RadioShack.

BSS: Ok!

DLY: And I talk about this a lot in the talks I give because RadioShack used to be the place where – it was like the cool place you would go. I remember as a kid I would go to their stores and fiddle with all their gadgets and electronics and it was this cool place.

BSS: Yeah, for sure.

DLY: And Isaac Asimov, the scientist and science-fiction writer was their spokesperson. They had over 7,000 stores. They were really the king of the technology world, at least as we knew it back then. And then fast forward to today and they're bankrupt, and I think they've gone through three different management changes in the last year, with people trying to revive it.

It's just frustrating to me because I think what Radioshack did was that they didn't, going back to our original conversation, they didn't commit to their core ideology. I think they instead tried to imitate Best Buy or tried to compete with Amazon. These were just small neighborhood stores who couldn't compete on that level.

Rather than embracing who they were, and the strength they had, and the in-person, hands-on experience they created in their stores, instead of embracing that they turned from it and as a result completely lost their identity and therefore lost the business.

BSS: Interesting. Yeah I remember only good things about Radioshack, and then all of a sudden they were gone. I remember playing on the keyboards, it was the one place you could play all the keyboards.

DLY: Yeah, right? That hands-on experience is still something lots of retailers – think about the Apple store now, that's why everyone likes going to Apples because you can fool around with everything. I think that RadioShack just lost their way.

BSS: Cool, so I like that you tied it back up to commitment but we're going to run out of time so I'd love to hear a little bit about the new book.

DLY: Yes, I published an e-book called *Extraordinary Experiences: What Great Retail and Restaurant Brands Do*. And it's meant to be a companion to my first book *What Great Brands Do* in the sense that it builds on the seven brand-building principles that I introduced but really shows, on a case-study basis, how seven different brands implement each of the brand-building principles.

So for my first brand-building principle, *Great Brands Start Inside*, I profile Popeye's Louisiana Kitchen and their remarkable turnaround based on how they used this principle of *Great Brands Start Inside*.

Since everyone goes to stores and everyone eats at restaurants I think it's a really good demonstration of how these brand-building principles work for any kind of business.

BSS: Interesting, I wish I had been able to find our company's Kindle because I wasn't able to read it this week but we can talk about it next time we talk.

DLY: That would be awesome. I'd love that, Ben.

BSS: Cool well listen, this was a lot of fun. We'll stay in touch and look forward to doing this again sometime.

DLY: Thank you so much for the great conversation.