by Denise Lee Yohn

From Starbucks to IBM to Nike, great brands are admired for their bold moves and innovative approaches. But what really separates merely good brands from those that triumph over time and achieve sustained business success?

Every great brand defines the brand as its business. Company leaders put the brand at the core of the business and go to great lengths to make sure there’s no daylight between managing the brand and managing the business.

Today’s savvy consumers are likely to see through the brand façade behind which so many companies have hidden for years. They can easily find out if
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The business practices, products, and people behind a brand are what the ads say they are. These consumers are also more likely to trust their own experience or the recommendation of a friend or even an online reviewer than a company’s own chest-thumping.

In fact, one could argue that the historical role brands played—serving as symbols to guarantee a certain level of quality—is no longer relevant or useful today.

That’s not to say that brands themselves are no longer valuable. Though some observers have declared the death of “branding,” that might be true only if by branding they mean the practices of creating an image to serve as the “face” of a company, refreshing a logo or tagline in an attempt to reinvigorate the business, or developing advertising campaigns to “get our name out there.”

The business value of all these efforts is in decline and will continue to decline.

Your brand can’t just be a promise. It must be a promise delivered.

CREATE REAL VALUE

All too often, traditional branding activities such as advertising and public relations are seen as “nice-to-have” budget items to be cut to save money when circumstances require it. Brand strategy is rarely aligned with other functional strategies. Brand-building investments are almost always narrowly focused on traditional marketing activities, with little impact on customer service, employee training, human resources, and the thousands of touchpoints that affect each customer’s appraisal of the brand.

Leaders of great brands use a brand-as-business approach to avoid making these kinds of mistakes. Expenses in building the brand are usually indistinguishable from the expenses of building the business. Brand investments are integrated into business plans, and business units are expected to participate in brand development.

When a great brand protects its brand platform in this way, it’s really protecting its culture, the foundation upon which everything else rests. Great brands use a brand-as-business management approach to drive their organizations and create real business value in four ways:

1. TO EXPOSE NEW GROWTH OPPORTUNITIES.

Brand as business reframes what business the company is really in. By considering the bundle of values and attributes that define the value delivered to customers, brand as business provides new innovation guardrails and a fresh perspective on potential areas for expansion, mergers, and acquisitions.

Zappos, the billion-dollar online retailer, started as an online shoe retailer, but because its culture defined the brand more broadly (“a service company that happens to sell shoes”), the operating model has proven flexible enough to embrace a broad range of products. The company has successfully extended its offerings into apparel, accessories, and even sporting goods.
2. TO SHAPE BUSINESS OBJECTIVES AND STRATEGIES.

Brand as business uses brand positioning to evaluate current performance and prioritize new opportunities. Disparate groups can draw on their unified, well-defined culture and practices to develop a shared understanding of what needs to be done to achieve a stronger competitive position.

Consider a leading agricultural company that created a new brand in order to unite and align distributed sales and product teams. The new brand prescribed how the products and services across the company’s divisions and regions would be integrated into a unique and valuable solution for customers. This served as the basis for developing shared goals, an integrated sales process, and a robust innovation pipeline.

3. TO CREATE COHESIVE, FOCUSED, AND INTEGRATED TEAMS.

Brand as business encourages use of the brand’s values to inform and influence recruiting, training, development, and compensation/reward programs. It contributes to the development of a workplace culture in which people can grow and thrive.

At Sony’s electronics operation, the brand-management and human-resources groups worked closely to nurture a brand-building mindset throughout the organization. Through the deployment of a brand toolbox and brand-engagement sessions, employees discovered their role in interpreting and reinforcing the brand and learned how to support the brand in their daily decision-making.

4. TO CONNECT THE DAILY ACTIVITIES OF EMPLOYEES TO THE CUSTOMER, TO THE BIGGER PICTURE, AND TO LONGER-TERM OBJECTIVES.

Employees are more engaged, motivated, and productive when they can experience the meaning and purpose of their work.

Every year, Sharp HealthCare, San Diego’s leading health-care system, holds an all-staff assembly as a way to engage everyone in recommitting to “the purpose and worth of our work and the difference we make in the lives of others.” The result is a strong culture that inspires employees to deliver The Sharp Experience, the organization’s brand vision and commitment to transforming the health-care experience. That shapes how Sharp people interact with and serve their patients, their affiliated physicians, and each other.

NOT BUSINESS AS USUAL

Achieving these four objectives is usually the result of a disciplined process and development of core competencies. What separates a truly great brand from a good brand is whether the organization can carry out a complete and thorough implementation of the brand-as-business approach.

Brand as business is not business as usual. Most companies don’t operate this way.

As a leader, you must explicitly decide, articulate, and adopt your brand as the driver of every aspect of your business. Brand-building must shift from a strategic function to an orchestration function—from simply setting direction to facilitating implementation across all functions and all stakeholders. You must use it to nurture a culture that differentiates the company, conveys value beyond any single product or service, and forms a valuable bond with customers. Brand as business needs to be owned by you and others at the highest levels of the organization. It must be embraced as an enterprisewide approach.

The dramatic difference between building great brands and old-style branding becomes clearer every day. With the dramatic changes in the economy and groundbreaking developments in technology and communications, old-style branding may be dead. But brands are now more important than ever.

Your organization must step back from using brand image as a static, outward-facing, image-oriented object. No longer is your brand an experience mediated through advertising and marketing communications. Your brand is the experience that’s actually delivered and communicated through every single thing you do, every day, around the clock.

That’s what great brands do.

Denise Lee Yohn, a consultant on brand-building for national media outlets, is the author of the bestselling book What Great Brands Do: The Seven Brand-Building Principles that Separate the Best from the Rest and the e-book Extraordinary Experiences: What Great Retail and Restaurant Brands Do. She will present a Thought Leader session at CAMEX 2017 in Salt Lake City, UT.

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Related Sessions

- Game Changer: Why You Need to Rethink your Store Culture, Friday, March 3, 2:25-3:15 p.m.
- Thought Leader Session: Build a Rock Star Brand That Serves Your Institution, Saturday, March 4, 8-9 a.m.