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Keeping a Perspective on Branding

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Many pundits have declared the death of branding and it would be difficult to argue for a continuation of typical branding activities. Creating an image to serve as the “face” of a company, refreshing a logo or tagline in an attempt to reinvigorate the business, developing advertising campaigns to “get our name out there”—the business value of these efforts can indeed be questioned.

Today’s savvy consumers are likely to see through a brand façade. They can easily find out if the business practices, products, and people behind a brand are what their ads say they are. And they’re 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 which brands played—that is, serving as symbols to guarantee a certain of level of quality—is no longer relevant or useful today. But that is not to say that brands themselves are no longer valuable.

Brands are needed now more than ever

In a depressed economy marked by intense competition over limited consumer spending, brands are more important than ever. Brands can add to the top line and help the bottom line.

A strong brand:

- attracts and retains more customers because it differentiates an offering and makes it less easily copied.
- sustains price premiums and higher margins because customers perceive they are getting something of greater value.
- helps leaders identify and seize new sources for growth, by driving innovations with rich insights about customers and market opportunities.
- enables more efficient and effective business processes, because employees and their activities are integrated, aligned, and focused creating value.
- increases the market value of the business to investors.
- delivers better results in recruiting, training, and retention because it’s clearer what’s expected of employees and what it takes for them to be successful.
- gives more negotiation power with suppliers, channels, and M&A prospects due to the increased customer leverage.

Strong brands produce these far-reaching results because they are more than images or messages. A strong brand is the core of the business.

It’s the bundle of values and attributes which defines:

- a product or service’s value which is delivered to its customers, and
- the way of doing business which is the basis of a company’s relationships with stakeholders (employees, board members, business partners like vendors and distributors, agencies and investors or shareholders).

Simply put, a brand is what a company does and how it does it. And strengthening a brand involves improving what the company delivers to its customers and how it runs its business.

Brand-building, instead of branding
Instead of simply representing the business to the outside world, the brand should drive it from the inside out. As such, brand development efforts should not be focused on outward-facing branding tactics, but rather internal brand-building methods and processes.

Brand-building is most effective when the brand is used to generate shared *insights* about the business, *planning* decisions are driven by the brand, and a brand perspective is woven into all aspects of business *execution*:

Generating insights. The brand becomes stronger when it serves as the common lens through which the strengths, weaknesses, opportunities, and threats to the business are evaluated. And when each capability, condition, or change is understood in terms of its impact on the organization's brand, the entire organization can develop a single vision about what is happening in the marketplace and how to move forward.

An example: Designer Whey, a $50MM protein supplement business, used its brand to identify an opportunity for new growth and to guide the company in seizing the opportunity. Historically the company promoted its protein powders to body builders, but it realized the niche body builder market alone wasn't going to deliver the business growth it desired. Market research revealed the growing consumer demand for health and wellness among many different types of people.

They found more people were looking for ways to supplement their diets to make them healthier—and the benefits sought aligned well with Designer Whey's key brand differentiators. As a result the company repositioned its brand to appeal to a more female, more health and wellness oriented audience. It changed its entire operations in order to deliver the new brand platform. These changes yielded the revenue growth the company was seeking from its core business—and by introducing the brand to new customers, the repositioning laid the foundation for the introduction of new product lines which generated incremental growth and brand awareness for the business.

Planning. By applying brand thinking to the company's portfolio of activities as leaders decide areas of focus, the brand is developed further. In fact using the brand as a planning tool facilitates ongoing choices that are consistent with the values and attributes the company hopes to embody and deliver to customers.

For example Virgin Group, the U.K.-based company headed by Richard Branson, generates $20BB in revenue through more than 200 branded companies. The company uses the Virgin brand in new business decisions. It has several key brand values—for example, "value for the money" and "brilliant customer service"—and it looks at every new growth opportunity through the lens of these values. If a new market or opportunity satisfies four of the six values and if the company thinks it can serve customers better than the existing competitors, it enters the business.

With this systematic yet simple decision-making approach, Virgin has taken a similar approach with seemingly unrelated businesses—from soft drinks to travel services -- and has generated immense returns and increased their brand equity quickly.

Executing. When brand-based tools are applied throughout all business activities, the organization becomes more focused and integrated and the brand itself is strengthened.

Executives at Jack in the Box, the quick-service restaurant chain with 2100-plus units in 18 states, have adopted an executional approach to brand-building. The chain's three-pronged brand identity—

challenger, innovator, likability—is not only embodied in Jack, the CEO character of the chain's advertising campaign, but also present in all aspects of their business execution.

For example, it was the first quick-serve to offer a breakfast sandwich, a portable salad and an all-sirloin burger. It recently undertook a store re-design to more closely integrate its creative and charismatic brand identity into the in-store experience. And corporate leaders use "Jackisms" (quotes or phrases said by Jack) to inspire brand behavior by employees (e.g., "Trust me, a smile goes a long way toward making a successful business. – Jack")

People throughout the organization have adopted one common understanding of the brand and how to interpret and reinforce it in their daily actions and decision-making. As such, Jack in the Box enjoys the highest average unit volumes of any QSR except McDonald's and its brand salience and affinity exceeds its market penetration.

Don't throw brands out with the branding bathwater

Leading edge companies have adopted brand-building practices that impact the core functions of the business—generating insights, planning, and executing—and produce remarkable business results. Others will soon follow suit, when they realize they need a new approach—one that is more in tune with the changing market and optimizes their core operating systems in delivering customer value.

The difference between building brands and branding is becoming clearer. Because, with the dramatic changes in the economy and ground-breaking developments in technology and communications, branding may be dead; but brands can—and must be—stronger than ever.

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