

DENISE LEE YOHN

Author, *What Great Brands Do: The Seven Brand Building Principles That Separate The Rest From The Best*

# *The essence of great brands*

BRAND BUILDING IS MORE ABOUT INSPIRING AN ORGANISATION FROM WITHIN RATHER THAN VIEWING IT AS A NICHE MARKETING FUNCTION

**W**hat does it take to build a great brand? Many people look at superstar brands such as Apple, Starbucks and Nike and mistakenly conclude those companies achieved their successes as a result of good timing, great advertising or just plain luck. But, really, how many people love Apple because it runs creative advertising? When you study great brands, it becomes clear that these companies have employed specific, somewhat surprising, methods that have turned them into industry icons. Above all else, they think about and build their brands differently. Instead of conceiving of their brands as names, logos or advertising campaigns to promote, they develop their brands as complete strategic platforms. They identify the key values and attributes that define their brand identities and use them to fuel, align and guide everything they do — starting with company culture. The leaders of great brands start brand-building by cultivating a strong brand-led corporate culture — and they actually put off communicating about their brands externally. They turn to advertising, promotions and public relations only after they have developed and aligned all other elements of the business, including product development and customer experience, with their brand.

That's what Sam Palmisano did at IBM. When Palmisano took the reins at IBM in 2002, he faced two serious challenges. First, the company, which had once been a computer hardware powerhouse, began deriving the bulk of its revenues from software and services. So Palmisano had to lead the organisation to meet the new requirements of this new business model

and he had set expectations internally and externally that they were going to succeed. He also faced a workforce that bred a sense of entitlement and arrogance because the company had been highly respected for long. The future of the \$81 billion company was resting on Palmisano's shoulders — not to mention his legacy as a business leader. If you want to introduce a new direction for a company, culture is not the most obvious starting point. The more common and attractive route is to launch a re-branding campaign or refresh your logo. It's always easier to change what you say about your company than it is to actually change your company. And, giving your business a public makeover may in fact be the fastest way to get the attention of investors and customers alike.

Conventional wisdom suggests that communications would have been the logical place for Palmisano to start





working on the IBM brand. But he understood that if you don't develop greatness among your employees, your employees are unlikely to deliver greatness to your customers. So he employed IBM's vast intranet communication network and collaboration software to initiate what he called a "ValuesJam." For 72 hours, employees around the world were asked to participate in a digital dialogue about certain values themes that were identified by a cross-functional team. Palmisano focused the discussion on IBM's values because they needed to affirm IBM's "reason for being, what sets the company apart" — in other words, IBM's brand. At the end of the Jam, 50,000 IBM employees had participated and IBM's filtering software distilled the comments down to three new interpretations of IBM's values.

Palmisano could hardly claim victory at that point, because practically every company has stated values. His focus had to move to ensuring the organisation actually lived up to those ideals. He asked his direct reports to identify the gaps between what the company said it believed and how its people actually behaved. They discovered routine procedures that prevented people from living out the IBM value of "dedication to every client's success." For example, because of the need to get formal approval for minor expenses, managers couldn't solve customer problems quickly. So they piloted a test where they gave some front-line managers \$5,000 of "discretionary walking around money" to help customers. When the test produced positive results, the program was rolled-out to all 22,000 IBM front-line managers. Palmisano called that "a \$100 million bet on trust" and proof that IBM lived by its values. Given that today IBM is one of the most valuable brands in the world, it's clear that the bet paid off — and Palmisano is now remembered as a visionary leader.

The prioritisation of brand-led culture over brand communications is what distinguishes great brands from the rest. Culture is the first priority when you want to define your brand because culture determines whether your brand is embraced and appropriately interpreted and reinforced by employees in customer experiences that shape brand perceptions more powerfully than any advertising or branding effort ever could. Great brands know that brands are built not by what you say, but by what you do, and so they make brand culture — not communications — the priority.

Saving marketing and advertising for later is what enabled Zappos.com, the American online retailer of

shoes and other goods, to become a \$1 billion brand in fewer than 10 years. From the beginning, Zappos' leaders designed their entire organisation around their brand values. Value number one is "Deliver WOW through service," so the company requires every new employee, regardless of the position they will eventually hold, to go through intensive customer service training. And then they'll pay people to leave the company if they don't embrace its values. Zappos also doesn't track customer call times and its representatives don't earn commissions. Instead, they're trained to devote as much time as they need to make sure every customer is satisfied. If a product is out of stock, representatives actually search competing web sites so they can tell the customer where he or she can purchase it.

Zappos CEO Tony Hsieh explains why his company invests so much in customer service and so little in advertising, saying, "The telephone is one of the best branding devices out there. You have the customer's undivided attention for five to ten minutes, and if you

get the interaction right, what we've found is that the customer remembers the experience for a very long time and tells his or her friends about it." Like other great brands, Zappos knows that until its culture is expressed clearly through its customer experience, it really has nothing worth communicating. Moreover, advertising is no longer a reliable method for appealing to brand prospects.

For every successful advertising campaign, there are at least five others that have failed. Blame it on the fragmentation of media, people's shrinking attention spans, and the growing popularity of customer reviews. The current uncertainties of advertising effectiveness have caused businesspeople to look to other brand-building methods — and the best place to look is inside.

By cultivating a strong brand-led internal culture, great brands engage and motivate their workforce, cultivate superior customer relationships and fuel faster growth. Instead of only attending to their brand visuals and message, they use their brand identities to shape their culture, optimise their core operations and design their customer experiences. Operationalising their brands in this way produces good results because companies aren't simply marketing their brands — they're using them to ignite their organisations and create real business value. If you want to build a great brand, elevate brand-building from a niche marketing function into the core driver of your business. That's what great brands do. ☺

*Great brands know that brands are built not by what you say, but by what you do, and so they make brand culture — not communications — their priority*