

## **Nine Things Every Great Brand Does**

Welcome to 2015. Before the holidays, our marketing team took some time to reflect on the year ahead, and we joked that we are "marketers marketing marketing to marketers," but we take that quite seriously. As we kick off the first full workweek of the new year, we've been talking about how we work smarter, harder, better to deliver a beyond-awesome product and super-star service to our clients. Part of that is getting good education and ideas to marketers so that they can do their jobs better.

Over the break, I read Denise Yohn's book, What Great Brands Do: The Seven Brand-Building Principles that Separate the Best from the Rest. Yohn gave great examples of the common practices top brands employ to deliver consistently on their brand value which translates to more loyal customers, higher revenues, with above-average profit margins. Many of the things she outlined resonated and are worthwhile to share, so here's nine takeaways from the book:

- 1. Great brands operationalize. A brand isn't just the colors and the font used in marketing messages, it's, "a bundle of values and attributes that define the value you deliver to people through the entire customer experience." It is expressed through the way the company does business with all of its stakeholders at every level. From how employees answer the phone to how you decide between drinking straw vendors. A brand is who you are as a company and how to operate, so that means...
- 2. Great brands marry marketing with strategy. It's not the first time we've talked about this. Marketing can't function in a silo, but still 64% of CMOs say their brands do not influence decisions made at their companies according to the Association of National Advertisers. That essentially means that companies are spending millions on marketing without aligning it with their business strategy. When the business strategy is the brand strategy, companies have clearer direction and vision. Their value is inherent, it isn't something that comes and goes with good and bad times. There customers are loyal and the 'right' thing to do for the brand is clear throughout the organization. A brand-as-business-strategy, "not only enables companies to attract people who share their mindset and values, they also produce clarity and conviction in the management of the business," argues Yohn.
- 3. Great brands get better bang for their marketing buck. J.C. Larreche, a professor of marketing at INSEAD, talks about how increased marketing spend is not a key determinant for company growth in his book The Momentum Effect: How to Ignited Exceptional Growth. Between 1985 and 2004, those Fortune 1000 firms who decreased marketing spend actually saw the highest growth in market capitalization. It seems counterintuitive for a marketing software company to be telling brands they should spend less on marketing, but the message is about more efficient marketing. A brand doesn't need to have the biggest marketing budget, they need a marketing strategy that works through the organization, making every business activity an opportunity for brand values to be expressed.

Why is it so important that every business activity is turned into an opportunity for brand values to be expressed? That brings us the next few takeaways:

- **4. Great brands deliver through their people.** A brand can't just be a promise. It has to be a promise delivered by the people of an organization. A strong company culture delivers that promise through its people. Sam Palmisano became CEO of IBM in 2002 when IBM was coming back from the brink of collapse. He saw the need for a "globally consistent set of values," especially with a global organization with many employees working at very low levels of direct supervision. Palmisano explain that "Managers come and go. The business portfolio changes, so the only thing that endures is our culture."
- **5. Great brands build great culture.** A brand's first expression comes from a company culture, which should be aligned with the brand's values. When your culture creates an environment where your people feel proud of the

product and service they stand behind and understand the rationale behind the brand values, they will feel more empowered to deliver the brand promise.

A strong culture means that the people of the organization know their own direct impact on the brand perception, the rationale for the doing things they way they are done, and why it is important. As a result they know exactly what is expected of them to deliver the companies value throughout their work. A Gallup poll showed that 24% of employees didn't feel like they knew what their company stands for or what makes the brand different from their competitors. The poll suggests that if that many companies are not communicating their brand values internally how can they expect their employees to communicate the brand values externally, not only to customers, but to suppliers, service providers, and distributors? Afterall, these are all stakeholders who contribute to the brand's expression, which takes us to our next takeaway.

**6. Great brands extend beyond just their office walls.** Your brand operates in an ecosystem. A brand is expressed at every touchpoint which means that every stakeholder should express the values of the company. A strong culture inside the company gets expressed in every interaction with vendors, agencies, distributors. Those interactions thus determine the quality of product and service delivered to customers.

IKEA is a good example of a company that clearly states its brand values and extends those values to its stakeholders. Their "IKEA Way" or "IWAY" is a list of standards they expect from those organizations that they work with that stipulates environmental practices to working conditions. IKEA recognizes that it works in an ecosystem and requires its partners to be on-board with their brand values in order to achieve brand consistency.

This is especially important for agencies. It isn't safe to assume that the marketing agencies a brand works with automatically gets what the brand is all about. The relationship with a marketing agency should be cultivated in a way that helps them embrace the core values and culture of the brand. An agency can't express the brand fully without having an intimate knowledge of what it's all about.

To build that kind of culture and ecosystem, a company has to be committed to a long-term vision of expressing the brand's core values. The next takeaways focus on what that means.

- **7. Great brands don't sell, they solve.** The vision, the ethos, and the values of a brand resonate with customers. That's what sells products and often at a premium. Think of Nike's "Just Do It" campaign. Scott Bedbury, who was Nike's chief marketer at the time wrote in *A New Brand World* that, "'Just Do It' was not about sneakers. It was about values. It was not about products; it was about a brand ethos." The campaign ran for 10 years and is still considered one of the most successful. Nike's new "Find Your Greatness" campaign, introduced in 2012 continues its emotional connection with customers.
- **8. Great brands build community.** Great brands win, even when times are tough, because they are constantly engaged in relationship building. Look at Amazon. When it introduced a review policy that allowed for users to give honest feedback on products, good or bad, critics said that the bad reviews were likely to hurt product sales. Jeff Bezos agree with those critics, but explained that Amazon, "would make a lot more sales in the long term if we help the customer make purchase decisions."

Those emotional connections go beyond selling products. "An emotionally engaged customer base may be the strongest defense you can wage in a PR crisis," Yohn argues. In a study by Tiffany White at the University of Illinois revealed that consumers see brands as symbolic of self-concept, so much so that they will defend those brands that they connect with as they would defend themselves. "Consumers are highly resistant to brand failure to the point that they are willing to rewrite history," says White, which explains why many customers will stay loyal to brands, even after recalls or bad press.

Connecting with customers is tricky. It's about appealing to needs, but it doesn't mean going outside it's brand values to do it.

**9. Great brands don't follow trends, they don't chase customers.** A great brand doesn't need to follow trends because it positions itself based on its own inherent value instead of trying to copy something already being done. They recognize how their brand value has external cultural relevance, which comes back to how it aligns with their internal culture. It's that alignment helps them connect emotionally and inspire a loyal customer base.

That said, trends are important and shouldn't be ignored because they do give hints to bigger cultural changes. Great brands anticipate those movements and advanced them, but execute based on their brand values. One brand that anticipated a cultural movement and shook up the fast food landscape was Chipotle, now with over 1,500 restaurants in five countries and did \$3.2 billion in annual sales for 2013, Chipotle is responsible for starting what the industry now calls, "fast casual" dining. Steve Ells opened the first Chipotle in 1993 and was greeted with critics telling him that his prices were too high and his standards for taste and quality unreasonable. McDonald's financed much of Chipotle's early growth, and put a good deal of effort into trying to convince Ells to offer lower-risk, higher-profit menu items, such as coffee and cookies, but Ells refused saying, "We wouldn't do [cookies and coffee] better than anyone else. And I don't want anything to be part of Chipotle that wouldn't be the very best."

It's that self-confidence that inspires loyal customers. Bob Garfield and Doug Levy wrote in their book, *Can't Buy Me Like: Authentic Customer Connections Drive Superior Results*, "Businesses that prostrate themselves before customers at the expense of their own core vision, to say nothing of their dignity, evince no respect and therefore engender none...People who patronize you do not wish to be patronized themselves."

**10. Great Brands understand the little touches.** Making those emotional connections with customers means communicating to all the senses at every customer touchpoint. Those touchpoints are everywhere. It's not just in a conversation a customer has with a customer service representative, it's the whole experience with the brand, from the hold music, to the temperature of retail locations, to customer restrooms, even to the postage stamps used. It's about demonstrating brand values are every level.

The Chartered Institute of Marketing, found that seven out of ten marketers think it is more effective to invest in customer experience than in marketing communications, but only 13% believe that their company "excels" at delivering their brand promise through the day-to-day brand experience. But to deliver brand value even at the lowest level of detail, employees really have to experience the brand as customers do, and they have to be empowered to make those customer experiences live up to the brand promise, always. That comes back to committing to a strong company culture with the brand values at its core.

There's a reason why we spend a lot of time talking about brand consistency and culture. It's because we believe that is what builds strong brands. A System of Record isn't about coordination across a marketing team or about getting inspired for social campaigns. It's about clearly communicating the brand value consistently across the entire organization, understanding what is happening in a broader cultural context, so brands can truly connect with customers.