

CEA REPORTS

STARTUPS NEED A MINIMAL VIABLE BRAND

A good product isn't enough.

The CE industry thrives on gadgets, gizmos and gee-whiz technologies. Success, it seems, is all about breakthrough innovations and cool products. But for every iPad, there's a Newton, and for every Spotify, there's a WebTV.

A good product is hardly enough to launch a startup into long-term viability. Just ask the thousands of aspiring business owners who launch companies every year (there were more than 600,000 startups in 2013). Only a handful actually make it beyond year one. Many discover that you can't rely on novelty to attract attention. Even if a new product is exceptionally brilliant and original, most startups find out they can't just make it available and expect people to "get" it, much less want to buy it. Other entrepreneurs learn that letting customers decide which application of a technology is most appealing is a sure-fire way to water down brand value and competitive advantage.

Savvy Business

A clear strategic brand platform is the foundation for getting traction in a crowded, cluttered marketplace, although it may be tempting to skip brand development in the rush to get a new product to market. Most entrepreneurs are as short on cash as they are on

time and they don't think they can afford to spend either on brand-building. Others mistake product strategy for brand strategy, without realizing that a compelling brand experience is comprised of so much more than the product alone.

Since today's entrepreneurs need to ground their launch in a strong brand foundation while maintaining agility and speed, they require an alternative to a complete, robust brand platform. Tech startups employ the Minimum Viable Product (MVP) concept, made popular by Eric Ries in *The Lean Start-Up*, to test product hypotheses with minimal resources. That same approach can be applied to brand-building with a Minimum Viable Brand (MVB) framework.

Just as an MVP allows companies to launch and learn in a compressed time frame while making necessary refinements to the product after the launch, an MVB provides startups with an alternative to a complete, robust brand platform. An MVB lets entrepreneurs put the pieces in place that produce brand focus, alignment, and integration, while waiting to develop the brand elements that provide more dimension until they have the resources and the customer feedback to inform them.

An MVB is comprised of the core brand elements that produce internal focus and



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A framework for developing an MVB is the "Six Whats":

1. **What you stand for**—your brand essence
2. **What you believe in**—your defining values
3. **What people you seek to engage**—your target audience(s)
4. **What you offer**—your overarching experience
5. **What distinguishes you**—your key differentiators
6. **What you say and show**—your logo, look and lines

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alignment as well as external relevance and differentiation.

These six elements cover the basic tenets that should be clearly articulated and understood in an organization prior to launching a new product. Usually the MVB can be established through a couple of focused sessions among the company leaders and perhaps a creative resource and an external facilitator to provide an objective perspective. These

provide a strong foundation to build your brand and business.

Several principles should inform the development of an MVB:

First, every organization should be **brand-led** and **market-informed**. Contrary to popular belief, customers don't own brands; companies do. Of course customer perceptions of a brand determine the strength and value of a brand, so brand managers must carefully cultivate the proper perceptions. But it would be a mistake to leave it to customers to determine the defining attributes and values that comprise the brand.

As the developer of a new product or solution, a business leader must have a point of view about what their brand stands for and the value they're offering. It should guide everything the organization does. If you have not figured it out, it's unlikely that your customers will. A brand strategy may start only as a hypothesis that gets validated by market reac-

TO BE PERCEIVED AS TRULY DISTINCTIVE, **A BRAND MUST CONVEY MORE COMPELLING, SUSTAINING DIFFERENTIATION** AND THE BEST WAY TO DO SO IS **THROUGH EMOTION.**

tion, but it should be clearly defined before the product is introduced. That's what "brand-led" means.

"Market-informed" means that the founder's point of view should be informed by market understanding. Sony's founder Akio Morita was renowned for eschewing market research—as was Steve Jobs. But they would both agree that customer insights, competitive dynamics and socioeconomic trends should shape brand strategy.

The MVB should be guided by the principle that **focus is essential for new product viability**. A brand should be positioned in a specific way to a target customer. Some entrepreneurs fear that focusing their brand appeal will alienate potential customers—especially when market demand is unclear. But the exact opposite is true. When brands embrace and embody a clear identity and unique positioning, they attract people who are most likely to be loyal, more profitable customers. Remember how powerful RIM's BlackBerry was when it was introduced as the ultimate tool for professional road warriors?

Segmenting the market and seeking out a particular target not only helps with resource allocation, but also cuts through all the noise and sends a powerful signal to those customers. After an initial launch, it may be necessary to refine the brand focus and rethink customer targeting, but being open ended from the start is a surefire way for a new product to end up meaning nothing and appealing to no one.

Finally, the MVB should be grounded in **emotional appeal**. There are very few truly new ideas anymore—and if you're lucky to have one, it will be cop-

ied by others more quickly than you can imagine. This means new products are usually focused on nuance or detail, e.g., a new feature or novel functionality. The problem is, customers rarely notice details and even more rarely value them as much as their creators think they should. Of course, novelty usually generates some appeal in the short-term, but decreasing customer attention spans and aggressive competitive imitation makes it difficult to sustain appeal of a new product detail over time. To be perceived as truly distinctive, a brand must convey more compelling, sustaining differentiation and the best way to do so is through emotion. Apple's original iPod ads sparked people's imaginations through silhouettes and soundtracks not speeds and feeds. Tying product details to emotional values and seeking emotional connections with customers cultivates more meaningful, sustained customer relationships.

The approach to developing and launching a new product is certainly different in today's information-rich, technology-fueled and time-constrained business environment. Startups create, evaluate and refine their offerings, often expecting to have to reset or pivot as mistakes are made and learnings are gleaned. But being agile and responsive doesn't require a ready-fire-aim approach when it comes to brand strategy. An MVB provides the right balance of structure and flexibility.

Denise Lee Yohn is the author of the bestselling book What Great Brands Do: The Seven Brand-Building Principles That Separate the Best from the Rest (Jossey-Bass).

YOUR 6 "WHATS"

The Minimum Viable Brand framework is comprised of six questions that answer the most important "whats" of your brand strategy. The first two questions help define *who you are* as a brand, three delineate *what you do* as a brand, and the last describes *how you communicate* as a brand.

WHO YOU ARE:

1. **What you stand for**—For many companies, your brand essence is the same as the company mission, purpose or ideal. It embodies the idea at the core of the brand. Best Buy's brand essence is "igniting human potential;" Xbox launched as the "Ultimate Social Magnet."
2. **What you believe in**—Your brand values define "the way we do things around here." The brand values of the Virgin Group of companies include "Fun. Be wacky, but not irresponsible," one of Sony's values is "We do what others don't."

WHAT YOU DO:

3. **What people you seek to engage**—Your target audience is the primary group of people you want as customers. It's best to avoid demographic descriptions and instead develop target profiles based on the attitude, needs or behaviors that characterize your most attractive customers. When GoPro launched, it targeted amateur action sports lovers.
4. **What you offer**—Your brand offering should be more than a specific product. Rather you should specify the overarching experience you deliver, the ultimate feeling you create. Amazon's Kindle could claim "the world's content at your fingertips" as its brand offer.
5. **What distinguishes you**—Your key differentiators specify what you do that is different and better than your target customers' other options. Basecamp, the project management and team collaboration software company, relies on three points to distinguish its brand: growth primarily through referrals alone, stability and experience from 15 years in business, and versatility/easy integration.

HOW YOU COMMUNICATE:

6. **What you say and show**—You express your brand through your logo, look (visual identity) and lines (messaging). The iconic Apple icon, white color, and "Made in California" are key elements of Apple's brand communication.