Putting the Capital “B” Back in Brand

By Laura Patterson and Lyall Vanatta

When someone says the word marketing, unfortunately many people think advertising. Marketing professionals realize that advertising is just one small part of marketing, and that marketing is about creating, communicating and delivering value to customers. Because products can become quickly obsolete, those of us in marketing must understand that our job is to create a value perception whereby customers/consumers become bonded to the company and its offering, not necessarily to just a product. When we create this experience, we are actually creating an intangible asset for the company, as asset that is known as a brand. Done correctly, the brand is both the promise and resonation point for the complete customer experience offered by the company. Oftentimes, we succumb to the tyranny-of-the-urgent in getting new products and services out the door, rather than adequately focusing on the strategic side of marketing thus letting the capital B in Brand slip away.

Today far too many people think of brand with a small “b” and associate it with a tagline and a logo. Branding is far too important to be limited in this way. A strong brand facilitates the product development process and faster market acceptance of a new product. It facilitates establishing strong supplier and channel partners, reduces a company’s vulnerability to competitive attack, creates a barrier to entry, and enables a company to set a premium price. It also creates an emotional link to the customer.

Let’s touch on a few examples. Apple is not about the Mac, the iPod, or the iPhone. Great products yes, but the Apple “Brand” is about the experience, about identifying with brashness and exuberance, about simplicity and realized possibilities. GE is not just another products and services company, it’s about delivering on a tradition of innovation to become the market leader in each segment it enters. Starbucks is not as much about the coffee as it is about the client experience. They consistently deliver a unique and fun ordering method to ensure you get coffee just the way you like it, as well as a convenient and comfortable atmosphere in which to enjoy yourself. Just as we educate people to understand that marketing is far more than advertising, we also need to educate people to understand the value of a brand and branding.

The value we’re talking about is financial. Brand and Branding with a capital “B” impacts an organization’s bottom line by influencing purchasing behavior and building loyalty. Research has proven that loyal buyers are willing to pay seven to ten percent more for a product. A study by Buzzell and Gale two decades ago found that 75% of market share is predetermined before the actual purchase is made. The study found that the greater the market share, the greater the ROI and those products with 40% market share earn three times the return compared to products with only a 10% market share. In addition, companies with strong brands tend to receive five to six times book value when acquired. When people talk about brand equity what they are really talking about is the net present value of the future cash flow attributable to the brand name, which is why Interbrand has been calculating the value of brands for over 30 years. High brand equity companies have a higher rate of product recommendations and are considered more attractive investments. Brand with a capital B translates into cash.

So what does it take to put the capital back into Brand and Branding? First, you need to revisit the company's history, culture, vision and values and then articulate it. Be very clear on how the company is different from the competition. Understand it, capture it, distill it, and make it succinct. Branding captures the essence of the organization and what it expects to deliver.

Next, take this essence (i.e., differential advantage) and deliver products, services, and new paths to market that fulfill unmet customer needs.

Third, give the brand emotional associations that impart confidence, status and preference. As brand expert Alan Siegel often articulates, brand is a distinctive, powerful language that defines what a company does and stands for. It includes not only strong images but also language, personality, vision, uniqueness and associations. Forth, translate all of this info into a brand promise. Your brand promise is key component of your comprehensive communications platform that, in part, contains statements of the relevant and distinctive benefits you would like customers to perceive when they experience the brand. Your brand promise is the key to creating loyalty because the smaller the gap between brand promise and the company's ability to deliver on the promise, the greater the value of the brand.

Once you have these ingredients it will be easy to create the identity for the brand. Creating and sustaining the brand is the purpose of creating a brand strategy. Your brand strategy begins with a focus on a specific target market (the group of people with whom it will be most beneficial for the company to develop a relationship) and what you can create and deliver to them they will find of value.

So how do you get started? Here are four questions to answer that will help.

- What is it in our corporate history, culture and vision that truly make us unique?
- What is the relevant and distinct promise we are making to our customers?
- How can we make it easier for customers to select and purchase our offerings?
- How can we improve on each employee's contribution to our Brand promise?

As Larry Light, President and CEO of Arcature has stated, "Building a brand is all about one thing: developing, defending, strengthening enduring profitable relationships."

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