

Why Brand Matters

by Laura Pasternak

Whether you realize it or not, every business has a brand. How you develop it is the difference between creating your point of distinction or blending in with the crowd; projecting a positive image or eliciting a negative one; growing your business or merely existing; successfully reaching your target audience or missing the mark altogether.

Brand does matter. Those who build their brand and manage it successfully can profit mightily. Here are six principles for creating and building brand as well as real-world examples of why it matters.

Strong brands trigger hot buttons in the consumer.

We buy for emotional reasons and then rationalize those purchases. Know what triggers your target audience. For Volvo buyers, it's safety. In fact, Volvo and safety have become synonymous. Volvo has taken this emotional connection and strategically built its brand around safety. The company's Web site says, "Explore the beauty of safety with 2006 Volvos". The site even has a "Volvo Saved My Life Club" section with stories of real people who were protected by their Volvos in car accidents. These stories are emotional, but also underscore how the Volvo brand is associated with safety. As a result, the company has developed a very loyal customer base.

Brand isn't just a smart logo and tagline.

These are merely applications of the true brand—a concept that exists in the mind of your consumer. Your brand is an experience for the customer. Nobody delivers this idea better than MasterCard® with their "Priceless" advertising campaign. Although they rely on consumers to purchase items with their MasterCard® credit cards, they know that buyers want to feel good about their purchases. What will make them feel that way? The experience tied to that purchase. "There are some things money can't buy. For everything else there's MasterCard®." Although they acknowledge that there are some experiences you can't buy, they also elude to the fact that there are many more experiences that you can buy. In other words, they make the consumer *feel* as though MasterCard® can give them the experiences they desire. Experiences are reinforced through the company's regular promotions in which cardholders can win trips, cars, cash and in a recent promotion, a house.

A brilliant ad campaign: Thousands of dollars.
A 60 second television commercial: Hundreds of thousand of dollars.
Building a brand that makes customers feel good about their purchases and results in double-digit revenue growth for MasterCard®: Priceless.

Know what customers associate with your brand and how to capitalize on it.

You know that brand taps into emotion. Since customers buy for emotional reasons, their perceptions color your brand. Take Martha Stewart. She is well aware that living well appeals to consumers on an emotional level. Her company, Martha Stewart Living Omnimedia (MSLO), has branded itself accordingly, stating on the Web site that "...Martha Stewart shares the creative principles and practical ideas that have made her America's most trusted guide to stylish living."

Even when Martha was charged with insider trading, she continued to reinforce—even capitalize on—the "stylish living" brand from behind bars: making delicious meals in the prison microwave, collecting apples from the prison grounds to make applesauce, entering Christmas decorating contests, etc. In the process, she won the admiration of her fellow inmates and the continued brand loyalty of her customers. The MSLO brand remained strong in spite of the challenges the company faced. Today, it is a nearly \$500 million empire with television shows, books, a magazine, house wares merchandised through Kmart, a catalog business and a furniture line with Bernhardt. MSLO has deftly mastered the art of convincing consumers that they can live the good life. Reinforcing, capitalizing and continuing to build on that brand has worked and "it's a good thing" for MSLO.

Brand is part art, part science.

The balance is a delicate one. Creativity strengthens and enlivens brand. But the science of branding is equally important. You can't build a successful brand without both. You must understand your target audience's likes and dislikes as well as their hot buttons. A brand campaign can be artistically presented, but if the consumer doesn't know what you're selling or can't identify with it, your campaign has failed. The Disney Company has done a masterful job of creating a brand that blends art and science. Visit the company's overview section on their web site and you will understand why this approach has created a powerful brand worldwide. "The Walt Disney Company has remained faithful in its commitment to producing unparalleled entertainment experiences based on its rich legacy of quality creative content and exceptional storytelling. Today, Disney is divided into four major business segments: Studio Entertainment, Parks and Resorts, Consumer Products, and Media Networks. Each segment consists of integrated, well-connected businesses that operate in concert to maximize exposure and growth worldwide."

Careful market research, focus groups, maximizing brand exposure, continual education and advanced technologies are all part of Disney's brand science. The organization is in tune with what their target audience wants: wholesome, family entertainment in a world of imagination. And, they are constantly measuring, evaluating and adjusting their efforts to maintain this brand. The artistic component of their brand obviously can be found in the creativity and quality of amusement parks, movies, merchandise and media channels (i.e. television, web, magazines) that have represented the Disney brand since 1923. Together, art and science have built the world's largest entertainment company.

Successful brands are the sum of all of its parts.

As illustrated above, Disney has been able to address all aspects of the branding process to create a powerful brand and an organization that has continued to grow in size, offerings and sales over the last 83 years. Likewise, multiple aspects of your business must integrate to drive the effectiveness of your brand. Some of these aspects include:

- **Understanding your market and your customer.**
Brands should be customer-driven. What does the customer want or need? What kind of experience does the customer want to have with my brand? How does my product/service make the customer feel? You cannot affect brand perceptions of your business without understanding your customers.
- **Ensuring that brand is reinforced within the corporation as well as externally.**
A strong brand is represented in every customer touch point including customer service, direct sales, call center interactions, product/service delivery and all other direct and indirect contact with your customers and/or the media. Marketing alone cannot carry a brand. Moreover, your brand is built on customer experience and perception. The best marketing and advertising means nothing if your brand isn't carried beyond it or the promises don't ring true.

- **Reflecting your business values and goals through your brand.**

It is one thing to imply that your brand reflects these philosophies or values; however, it is quite another to back up those assertions with specific actions. In doing so, you will strengthen your brand as well as customer loyalty. Disney presents a great example. The company has a worldwide outreach program, which supports public service initiatives, community outreach and volunteer programs helping families, children and the arts, as well as a program that supports environmental efforts. Disney's environmental beliefs have led the company to create The Disney Wildlife Conservation Fund. The fund has distributed more than \$6 million among 200 environmental conservation projects in more than two dozen countries. Their worldwide outreach program has donated more than \$190 million in cash, public service announcements and volunteerism globally. Disney employees volunteer their time and talents in their communities, contributing more than 402,000 hours of service to outreach projects. These actions are deliberate and help project a community-focused and environmentally conscious image. In turn, this concept drives customers' perceptions of the Disney brand as a magical kingdom where all is good.

- **Crafting external communications, both oral and written, to properly represent your brand.**

The message and tone in these communications should align with your brand. Every opportunity in front of your customer is an opportunity to reinforce brand. A visit to any of the Disney properties reinforces the importance of consistently representing your brand. Cast members (as they call their employees) adhere to strict brand guidelines—from meticulous detail about their appearance to how they communicate with park guests. Park cast members and characters are warm, friendly and helpful. Their interactions with customers convey the notion that they truly care about children and families.

Moreover, Disney's career site states, "Yes, there really are dream jobs. Here, the bottom line is imagination, our culture is magic and wonder, and required previous work experience: childhood dreams." When employees feel that they are living out a dream, they will perform better and customer interactions will be stronger. As a result, guests will walk away with a "feel good" impression and the notion that they really did live out a dream.

- **Representing your brand through your products and services.**

McDonald's golden arches represent more than hamburgers. They reflect the company's commitment to quality across the board—quality in its food products as well as quality in its employees, franchises and community outreach programs. To reinforce their brand, the company maintains high standards throughout the organization.

Franchise operations are held to rigorous quality assurance requirements. The company recognizes how crucial these franchises are to representing the McDonald's brand. As founder Ray Kroc once said, "McDonald's doesn't confer success on anyone. It takes guts and staying power to make it with one of our restaurants." It is that commitment to superior service that consistently has made McDonald's the premier franchising company around the world. This same philosophy extends to its community outreach programs like the Ronald McDonald House. Since its inception in 1974, more than 10 million families have benefited from the company's dedication to this program throughout the world.

Brands gain value over time...if they are consistently built and reinforced.

It worked for Nike. Less than 15 years after their entrance into the marketplace, the athletic shoe giant became a global brand. Their success came from an intimate understanding of their consumers' needs and desires; continuously introducing innovative products; establishing good management practices and, of course, great branding.

To build brand value over time, you must give careful attention to ongoing assessment and management of your brand, exploring questions such as: Does my brand have a substantial and positive impact on sales? On growing market share? Can my customer relate to my brand? Are we building brand loyalty with every customer interaction? Building your brand is an evolving process that should be a constant driver for your business. You can't wait until something goes wrong or sales start to plummet. You must be proactive in building on your brand thoughtfully and consistently. Follow Nike's lead on building brand: "Just Do It." You won't be sorry.

Ultimately, brand matters. And not just for the big consumer product giants like Coca-cola, Nike and Disney. For service companies, it is all about brand. Your company's success is determined by the perception your customers have about your services.

In short, your brand must grow with your business. You need to continuously reevaluate what is and isn't working with your brand in your customer's mind. Brand is not static. It needs to evolve in order to thrive. It must also reflect philosophical and operational changes within the company.

It is easy to implement a brand strategy and then leave it to its own devices. However, if you seek to build strength and longevity in business, then your brand must be tended to carefully and regularly.

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