Building A Brand
Principles and Process

This is a generic exposition, but it is not theoretical. Rather, it's gleaned from experience from many products/services across a range of industry. These range from packaged goods to financial services to beverages to direct mail.

From 50 years in this world, I've concluded that basic brand building varies little in either characteristic or process whatever the specific market. In fact, while each industry and its associated culture insists it's "different," the reality is the fundamentals never vary. Only the tactics.

Thus, the concept of a brand property demands recognition that overall principles pertain. Without such fidelity, it's unlikely that an effective model or commercially effective program can be designed/implemented.

What is a brand – Characteristics. All products/services are "branded" (e.g., identified), but relatively few command brand position. Those that do all, have these characteristics:

1. A sharp, distinct image among target consumers which can be summed up in one phrase. "It Floats," Marlboro Man, "Care Enough to Send the Very Best," "The Real Thing."

   These slogans convey a set of product values that consumers have learned to shorthand to an overall image. Slogans don't make a brand (a common mistake) but brands are easy to summarize. It's called "USP" – Unique Selling Proposition.

2. True value added performance attributes. Brands are real in that they deliver actual benefit to consumers. This may be tangible (moist cakes) or psychological (deodorants) but they are important to consumers.

   Industrial brands usually must deliver measurable, specific benefits superior to competitive options to prosper.

3. Relatively price in-elastic with core consumers willing to pay some premium to obtain value added benefits.

4. Long standing and progressive. Brands are not fads nor creatures of opportunistic management. They sustain with core consumer's by providing a stable value that's kept in tune with the times.

5. A definite and sensitive consumer feedback system which ensures brand value maintains (and that shifts in consumer desire are anticipated) and satisfied on a proactive – not reactive – basis.

Most brands that fail – A and P, Howard Johnson's, 7-Up, Kodak, etc. are those that haven't maintained and nurtured a partnership with their consumers.

Brand names that never attain brand status usually don't have consumer relationship at the start.

Industrial brands have as consumers other organizations. But the feedback need and implementation is the same. Some brands operate at both levels – with advertisers directly and to consumer's on their behalf.

These 5 characteristics add up to one absolutely vital point:

<u>Brands are about consumer satisfaction ("pull") not consumer sale ("push").</u>

<u>Building a brand – the process.</u> Obviously, brand status is a precious asset. If it were easily obtained all would do so. All try – but "while many are called – few are chosen" (by consumers).

So, how does one go about the quest? These are 5 steps to undertake:

1. <u>Product evaluation</u>. Most products/services don't really have the right to aspire to brand status. They lack true value added performance attributes compared to competition or any true value (e.g., cost advantage). They are, in fact, commodities which <u>always</u> means "subject to retailer control."

   They are not subject to intrinsic differentiation. Thus they must rely upon advertising and/or promotion activity to get away from the pack.

   This is called "Borrowed Interest" and it seldom works – and never for long.

   Net, consumers can't be faked out. If a property lacks true value added it won't be a brand. This crucial, <u>objective</u> evaluation is the first step.

2. <u>Value added definition and articulation</u>. Upon ascertaining value based differentiation potential, the brands "USP" must be carefully defined and simply expressed. This requires close identification of consumer targets since the "USP" must be expressed in their terms. This discipline leads naturally to sub-strategies in communication, promotion, additional product development and business/budget planning.

3. <u>Business plan construction</u>. Quite often, companies get steps 1 and 2 about right and then preside over a massive disconnect to actual implementation planning. This is when the pressures from other constituencies intervene (e.g., the sales department, the retailer, etc.).

   As the result, the plan to make the brand actually happen bears little resemblance to its basis for existence.

Additionally, brand build plans have – or should have – two time frames; (1) the annual operating budget; (2) the 3 – 5 year establishment period. The former deductive to maintain fiscal control; the latter inductive to produce a final result.

Both plans should be specific as to objectives.

4. Business plan implementation. Again, a step where many brand failures that occur. It's essential that sufficient discipline be built into operations to ensure that brand build objectives are not negated by short term operating issues.

   This is called brand management.

5. Create a sound consumer and market feedback loop to insure the build plan is impacting as planned. And, to make inevitable adjustments.

This includes, of course, business results but, also, communications with customers on a regular basis.

Superficial consideration would seem to support this group/entity as having brand status potentials.

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