



STANFORD

GRADUATE SCHOOL OF BUSINESS

Building Innovative Brands

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2009

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WHAT IS A BRAND?

Brand as a promise...

A promise to customers (setting up expectations)

A strong brand delivers on what it promises, establishing a strong reputation

Growth of the brand...

Focus on your product's unique features

Manage all consumer touch points (Harley)

Ensure consistent messaging from entire company (American Cancer Society, Intel Voice Guideline)

Benefits

An increase in brand value can have a dramatic increase on firm profitability.

VALUE PROPOSITION

Elements of a brand's value proposition

Points of parity are needed to be a player, points of difference are needed to stand out (Nordstroms' quality vs. service)

Value proposition consists of Functional, Emotional, and Self-Expressive benefits.

Don't underestimate the power of emotional attachments to a product (New Coke).

Using the value proposition...

Value proposition is a guide to create brand strategy or planning brand shifts

It's the "center" of a brand, to which you can refer when making strategic brand decisions.

If you keep talking about price it's difficult to relate to other benefits/drivers of behavior that are more compelling (ODI).

MARKETING RESEARCH

Methods of measurement...

Calculate the product's incremental value over the financial cost of a generic substitute

A brand can have positive, as well as a negative, equity

Effective uses of market research...

Market research (e.g., consumer surveys, focus groups) can be used effectively to inform decisions, but need to ask the right questions and be viewed in context of the current brand image (New Coke), it can be very risky to reposition a strong brand.

Note that consumers, in many ways, "own" the brand (Coke)

Strong brands are bigger than product, strong brands provide:

Assurance

Functional and emotional benefits

Meaning

Relationships

Consistency (#1 reason for divorce: "not the person I married")

Common pitfalls...

Early data do not necessarily indicate what the future holds. Ask the right questions – "what would you do if we took Coke away?" (New Coke).

Test groups and quantitative research do not guarantee the successful launch of a new product or the removal of an old product. Even if the majority prefers the new product, marketers should take seriously even a small group of hard-core brand devotees. This small group can cause a lot of controversy if neglected (New Coke).

Don't be afraid to use small sample size: 2 in-depth interviews, one 6 person focus group, or a 55-person survey (pre vs. post posse ride, Harley). Small datasets still shed insight, and encourage more data to be collected.

BRAND IMAGE AND BRAND IDENTITY

Definitions

Brand image: customer (all associations from customer point of view, core and extended)

Brand identity: company (all aspirational associations with brand)

Image-identity gaps: gap between the two

Brand image

Brand image is sticky. Once established, it takes intense experiences from large portions of the customer base, who talk to others before brand is transformed. (Coke: neglecting to recognize this fact, Coke allowed Pepsi to change the basis for competition into taste.)

Avoid purely product-related associations in a mental map (Coke: "authentic" vs. "soft drink").

"Cheap yet reliable" can be just as strong as "high-end and aspirational" (Old Navy, Samsung).

Brands with clear ingredients of both attributes and personality are the strongest.

Brand identity

Primary vs. secondary identities allow priorities to be set in terms of company's strategies.

One key in identity development is knowing what you don't want to be (Lexus: doesn't want to be known as 'down to earth').

Image-identity gaps

The image-identity gap generally should be minimized.

One exception to this rule is when a point of identity is so strong or is of secondary importance (brand image = good weather- Stanford business school).

BRAND PERSONALITY

A "set of human characteristics associated with the brand". Combined with brand attributes, the two form 'brand image' (i.e., brand personality is a subset of brand image).

For American consumers, brand personality can be boiled down into 5 primary "families" or dimensions of traits:

- Sincerity
- Excitement
- Competence
- Sophistication
- Ruggedness.

The components of brand personality do not all extend universally across cultures, but the customer desire to find meaning in products beyond function does.

Even though some components translate across cultures, the facets of those components do not remain constant.

POSITIONING STATEMENT

For ___ (target segment) who ___ (statement of need / opportunity).

The ___ (name of product) is a ___ (product category) that ___ (statement of core benefit; i.e. a compelling reason to buy).

Unlike ___, (competing alternative) our product ___. (key point of difference).

Example

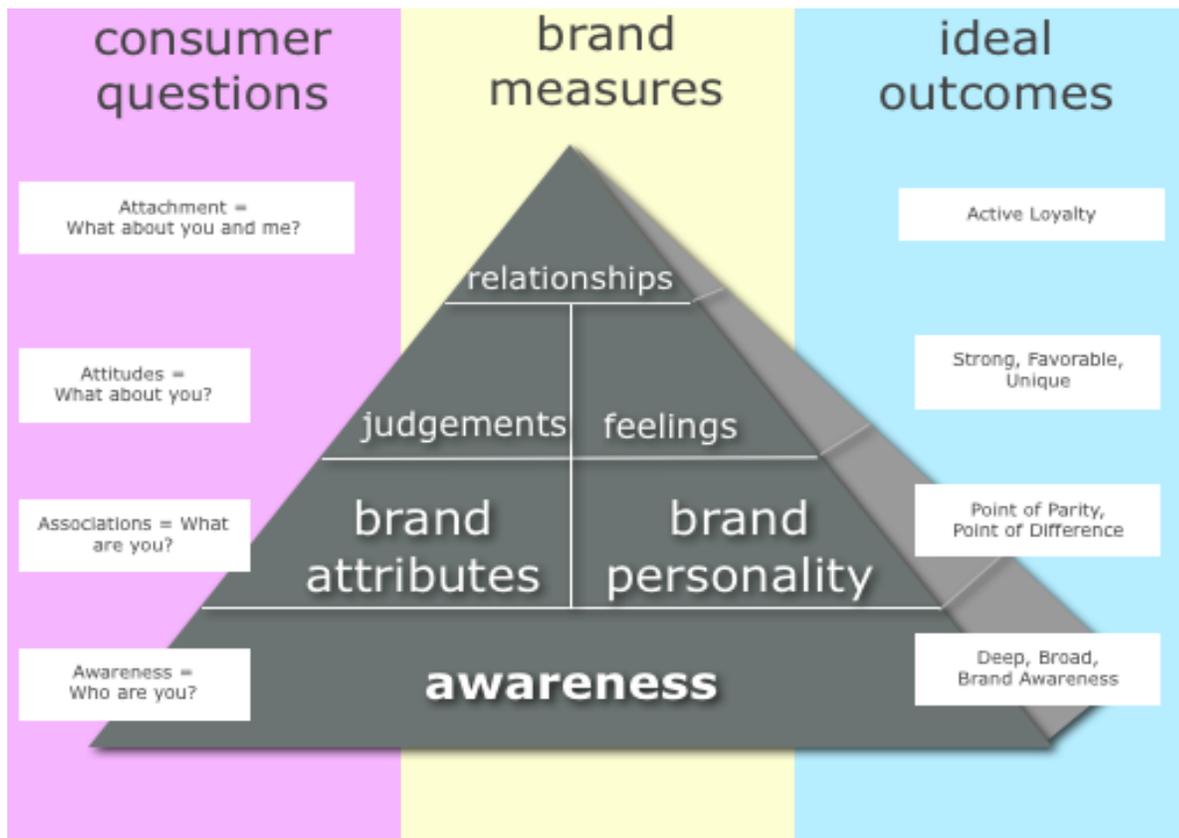
For the small business owner who wants to grow their company.

SmallFuel is a marketing firm that provides products and services specifically designed to grow small businesses.

Unlike typical marketing firms, we are a small business and we work for small businesses. We uniquely understand your needs and requirements.

WARNING: Merely crafting a positioning statement is not enough: It must be communicated throughout the organization so that employees can communicate the brand's value proposition to those outside the organization.

BRAND PYRAMID



SHIFTING ROLE OF BRAND OVER LIFECYCLE

Brand management varies dramatically throughout the cycle of the brand and industry

The goals of growing a brand differ at various stages of the brand's life.

When launching new products focus on acceptance, trial of the product, and distribution.

In early stages of creating a new category, competitors are not the enemy; they are allies. The biggest threat to a start-up is the possibility that customers won't understand the value of the new technology and won't buy it.

With accepted products, differentiation, advertising, and product benefits matter. Mass or traditional marketing doesn't always make sense, especially for a value brand.

Stage (Goal)	Key audience	Key vehicles
Early Market (Visibility)	Early adopters	Press and analyst relations
Bowling Alley (Viability)	Value chain partners for target segment	Participate in target segment industry events
Tornado (Market Share)	Power players in the category	Participate in high-status industry events, company-focus advertising
Early Main Street (Profitable Growth)	Pragmatist customers	Direct marketing, Product-focused marketing

Once a market self-organizes into pecking order, there are three categories:

Gorilla: set the price and the trend (*Microsoft*)

Monkey: copy and sell at low price (*Dell*)

Chimp: those that compete to become a gorilla but do not make it. Typically uses incompatible technology to the Gorilla (*Apple*)

Admit your position and customers will value your honesty i.e. Apple admitting to being a chimp rather than trying to pass as a gorilla.

Within a brand, you can play more than one role: Apple is a chimp in computers but is a gorilla with its I-POD.

At the time you get very good at marketing, it's time to change due to the life-cycle.

PERSONAL BRAND

Person-as-Brand Lifecycle

Birth of the Brand: random collision of cultural hungers and meanings create the brand

Person as a Brand: Personal associations are carefully selected, strengthened, and leveraged to build the brand

Person = Brand.: Person embodies brand, all brand meanings resonate through the person

Person > Brand: Person achieves icon status in culture

Brand > Person: Brand sheds its dependence on person that once gave it life

Person-as-a-brand is:

A perception that lives in the minds of a company's targets.

An ongoing story about a persona that unfolds over time.

Attracts the people you want to attract and repels the people you want to repel.

Determines your value, relevance and quality of your team

Consequences

People respond to your requests - you can leverage others to get things done

People remember you when staffing interesting projects

People say good things about you when you're not around

Positive

Dependable

Trust-worthy

Respectful

Confident

Initiated

Accountable

Focused

Solution-oriented

Negative

Unreliable

Self-motivated

Ego-driven

Blames others

Apathetic, doesn't care

Scattered

Unfocused

Problem-oriented

Stand for Something

"You've got to stand for something Or you're gonna' fall for anything"

Your brand has to represent a single, powerful image in the minds of your customers

You must have one clear and focused message

This message must communicate an advantage to a customer

Be Distinct, not Better

There are: trend neglectors, trend responders, and trend drivers. Trend responders are better; trend drivers are different.

Developing a point of view

Your POV is the story that encompasses the value you provide to customers, problem that you solve, why people should care, and why they should act.

Brand story...Once upon a time

- Good guys and bad guys
- Interesting plot twists and turns
- Hopeless and heroic moments
- Big trouble and big wins
- Moments of weakness and strength
- Suspense and relief

It's not the actual events you tell stories about that matter, but how the event's shaped you into the person who you are today.

The stories that are worth telling are those that elicit a physical reaction in you when you remember them.

Remember your goal-in this case, to help the audience understand what makes you uniquely you and why you are that way –and relate everything back to how it serves the goal.

Trust that your audience truly cares about you and is there because they have a genuine interest in learning more about you – respond to their sincerity with your own willingness to be totally candid and to feel confident in that candor.

Don't be afraid of making mistakes, if you are telling the story of your life, it's impossible to make a mistake.

MC Hammer Example

The establishment of MC Hammer's brand was a calculated move. His initial value proposition was very clear: "Put on the record because my beat is booming and you will get rewarded (socially)."

Establishing a brand from the grassroots without social media is the base. The "tastemakers" – the mavens – are more important than the social media. You have to start from the ground up. Social media tacks on to this.

MC Hammer built relationships with radio & clubs. He got DJs to play his record and had his own dancers show consumers how to dance to his music.

Controlling the **perception** is much more valuable than reality – at least today (but the two have to align). Create the perception. Control the perception. Do

NOT use the old, traditional ways of “advertising.” Use social media to create momentum.

MC Hammer created the perception that things were HOT. This allowed him to sign the largest record deal at the time. “Once I figured out the model, I brought it to every city.”

How do you begin something when you start from nothing? You say that you ARE what you want to be over and over and over again. Then you and others start to believe it. (i.e. TI – the rapper “the king of the south”). It’s visualization.

“If you say you are, you better be what you say, and you better be prepared to withstand the opposition” – Hammer.

Social media is the perfect place to engage the opposition. You need to counter every single oppositional statement. Social media shortens the distance between you and your fans/enemies. Most of the people who love to make comments are NOT your fans. Competitors plant false stories that you have to stay on top of. You should always counter oppositional messages. One way to do this is to use your social media platform because is direct to the masses.

When rebranding, Hammer advises you to talk before you act. This allows the opposition to get all their negativity out in the open and gives you time to counter every message one by one.

Social media can promote a more authentic personal brand.

Manage your social media presence yourself because you can be more authentic. You can be yourself.

“When I use Twitter to talk about ‘what I’m having for breakfast’ – I use it to ‘humanize’ my brand” – Hammer

PERSONAL REPUTATION

Image–identity gap often exists

We really don’t know how others perceive us unless we specifically seek out that information. And even then, we don’t always know.

Steps can be taken to project the identity to others (but not always).

Being authentic: ensuring that your internal and external world is aligned to who you are and what you represent.

You can tell a personal story that reveals a lot in one minute. Pick words carefully.

When people share stories, it is hard to remember the content except for possibly the major arc. What sticks is the emotion that was evoked. This emotion and the evoked images are what creates a person’s reputation, and makes you distinct.

UNDERSTANDING BRAND: KEY INSIGHTS

What do you want to own a share of? (e.g., Coke → stomach)

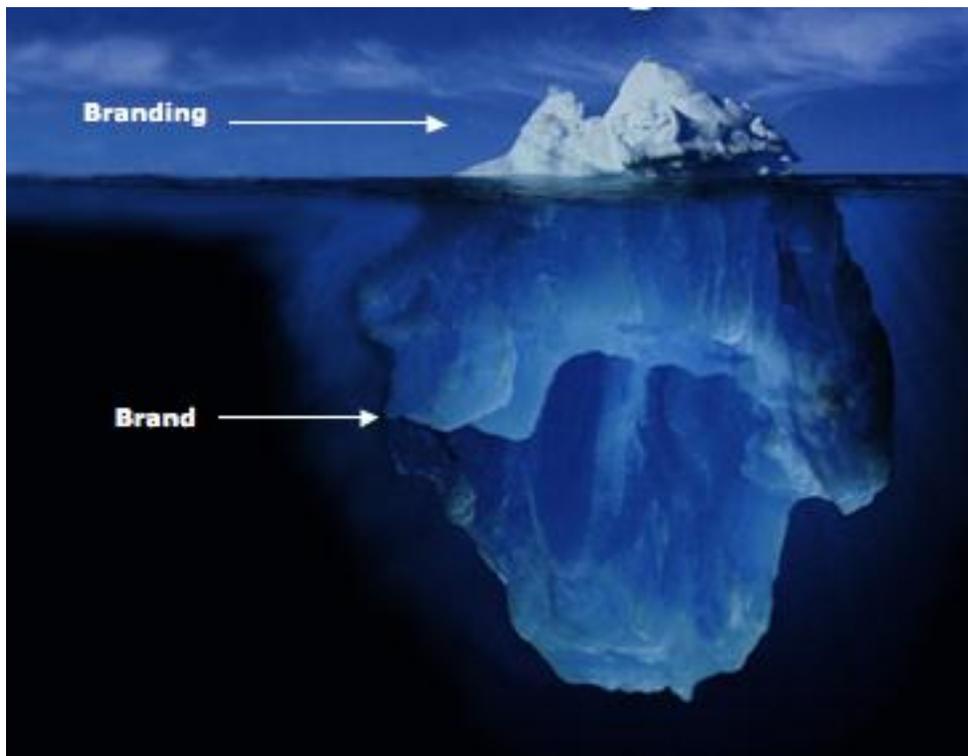
Important when either a rebranding or a design of a marketing campaign to ensure brand consistency.

Also with startups struggling to define their customer base. Are they asking the right question. Do you want to own space in their wallet? In their office? In their closet? Their living room?

Branding = Tip of the iceberg

Branding = logo, name and slogan. Brand = all the assets (products & services, mission & goals, partners & employees)

Brand is nine-tenths of the submerged part of the iceberg, Branding is the other tenth that is visible.



Brand = reputation

A company doesn't have to say that it's good at branding to be good at it.

Brand is a reputation, not simply a promise that you control. It lives within their minds and conceptions and you can influence it, but you can't ever fully control your brand, because it's not yours to control.

Be attuned to the question, "What is your brand's promise, is the promise delivered and what would constitute a transgression"

Authenticity is represented by how well your promise and actions line up.

A company controls the brand strategy; the customer owns the brand.

Your brand, image, reputation can be influenced by how you provide information - in the form of stories you tell, the personal connections you create, the physical image you portray must all be thought out and prepared in advance.

What you want to "brand" (talk about) depends on where one the lifecycle.

Role of brand changes throughout the adoption curve of a product. Recognize where your product is in its life cycle and where you are relative to competitors (gorilla vs chimp vs monkey).

Companies must make a clear bet of which lifecycle stage they are in. If they are right, they win. If they are wrong, they can change. But, if they pursue two conflicting marketing strategies, they will sabotage themselves.

If you are introducing something truly new and disruptive, you have to brand the problem first, before you can brand your individual solution/product.

Be aware of image-identity gaps.

Brand image is how customers perceive the brand while brand identity is how the company perceives itself.

There will inevitably be gaps, some of which are acceptable - others which need to be bridged

Brands ignite feelings, have personalities, and cultivate relationships

Brands have personalities (implicit or explicit) and have to be deliberate about what types of promises they make to consumers, and the feelings they want to generate.

Primacy matters (first interaction and most recent interaction are the most memorable)

If the average person only maintains 8 close deep relationships, a marketer should not think about customer loyalty on that same plane. Instead think of a promise that a brand/product can deliver on in the context of its relationship with the consumer.

BUILDING COMMUNITY AND RELATIONSHIPS

To build a community, one needs shared and consistent experiences...

Communities lend themselves to products and services that foster shared experience and strong identity (Harley).

Brand must be consistent across all touchpoints.

Once you build a brand community that inspires fierce loyalty, the brand belongs to the customers. This severely limits a company's ability to change the brand image. "Brand community management" is an oxymoron.

Worth of measure are relationship levels: consumer-consumer bonds, consumer-brand bonds, consumer-product bonds, and consumer-firm bonds.

When creating a community, the most important relationships are between consumers and between the consumer and the brand (*Harley*).

Even when a new segment becomes interested in your brand, it is important to stay authentic to the original consumer and product (Caterpillar or Carhardt) because that is what got the new group to be interested in the first place -- and the new consumer might not be as loyal as the original consumer.

BRAND AND COMMUNITY

Insight #1: Build a collaboration brand

Take stock. Identify the strengths. What are the Consumer's strengths? Where is trust broken, or strong?

Define roles and responsibilities: what's the company's role?

Create tools to support participation

Red Cross: with all the different ways to give to philanthropic orgs, the Red Cross was failing to distinguish itself.

ARC had to: Take stock, stick to its core.

Define roles and responsibilities: ARC is the *connector*. The donor is the storyteller.

Reframed the problem – told the donor's story.

ARC created tools to support participation while the donors were giving blood.

Tools: Why I give cards. Donor Wall. The donor journey...

Evaluate the collaboration and evolve... they listened to staff and patient anecdotes.

Insight #2: Be authentic

Does the brand "feel" fabricated? If yes, authenticity is a *problem*.

Zappos

They believed that they must create belief in the brand – give \$2000 to people to leave.

CEO at Zappos - Hire slowly, fire quickly in order to build a strong belief in their brand.

Ritz Carlton

There was a disconnect between what the employees were driven by (financial and operational goals) and the corporate statement of creating the best guest experience.

"Sceneography" to create a culture of design directors among their general managers.

Crafting Brand

Scene objective: to create a specific visualization of the memorable guest experience.

Had rules about what to put in a scene, and why. Each general manager had to create their own "scene" at their hotel.

Insight #3: Encourage the Emergent.

Meaning

Seed what is happening naturally and do not create new things/movements out of nothing.

Kansas City Jazz

Extended the activity that's already happening in the city rather than starting from scratch.

Flickr

Let their users create new experiences

Flickr's community guidelines (<http://www.flickr.com/guidelines.gne>):

Do play nice.

Do enjoy flickr.

Don't be creepy. (you know that guy. Don't be that guy.)

PERSPECTIVES ON NAMING THE BRAND

Traits of Good Names:

Meaningful (descriptive, persuasive)

Appealing (fun, interesting, aesthetic)

Memorable (easily recognized, recalled)

Adaptable (flexible, updateable)

CRAFTING BRAND: KEY INSIGHTS

Design-thinking

Design to practice, market to ideals (Genevieve Bell)

Ideation method: Rapid prolific idea iterations and early prototyping with modifications based on customers reaction to prototype.

How to tell a story

Telling a story is more art than science.

It's not the details that matter, but the way in which you reveal the pieces.

In a story, there's a point where the protagonist's life changes in a way that they cannot go back to the way it was

When telling a story, know when to stop. Brevity makes your audience feel more interested. There is a fine-line between clearly telling a story (laying out all details) and leaving some 'mystery' for the listener to assume/connect on their own is an artful challenge.

To have a strong brand, you have to be a good story *creator*, and a good story *teller*.

People tell stories about your brand (Nordstrom), so build the right arsenal for people to tell. People will remember the stories that you tell, so long as they are told well, and have a point and an arc.

Titles dramatically affect the audience's interpretation

Story-telling is a skill that will become useful throughout our professional lives.

BRAND VALUATION OVERVIEW

Interbrand Valuation Method:

Assess the true earnings solely attributed to the brand

Back out value of tangibles

Adjust for last two years (operating income)

Subtract income tax

Determine multiplier (each firm has its own way of determining the multiplier)

Brand value

Even the most quantitative involve subjective measures (e.g., Interbrand's weighting, customer perceptions).

Brand valuation provides a baseline to begin to measure the impact of marketing strategies. This can prevent spending on ineffective or potentially harmful campaigns.

Many companies are shifting accounting practices away from categorizing money spent on brand as an expense (like software engineering)

Know what your brand is worth when creating strategic alliances.

Do not spend scarce resources to partner with a brand of a lesser valuation if you do not want to dilute your brand—or at least make sure the goals of that relationship are well defined and will not hurt your brand equity.

BRAND MEASUREMENT TOOLS

Use multiple methods to come to a conclusion.

Strong brands monitor brand over time

This does not have to be expensive: Surveys (n = 25-100), Focus groups (n = 6), One on one depth interviews (n = 2-3)

Ideally, qualitative research complements the quantitative work to get at both

Emotional drivers of behavior (right side of pyramid)

Rational drivers of behavior (left side of pyramid)

Chose respondents wisely: Best feedback comes from a balance of love/hate respondents.

Customers do not always know what they want and can be led by focus groups; be aware of the biases involved and their effects on data.

TYPES OF QUESTIONS

QUALITATIVE RESEARCH

Open-ended questions
"Think back" questions
Making a list
Associations, mapping
Sorting pictures
Completing a sentence
Personification
Bubble drawings

QUANTITATIVE RESEARCH

Awareness
 Recall
 Recognition
Associations
 Brand attributes
 Brand personality
Attitudes
 Judgments and feelings
Attachment (relationship)

MEASURING BRAND: KEY INSIGHTS

Ask Why? Why? Why? Why? Why? – to discover the disconnect or truth.

"Need-finding" helps developing empathy for/with people.

When interviewing, it is powerful to give the control to the interviewee and let them unveil their stories to you.

Listen carefully to both extreme users and non-users to figure out what customers are saying about your brand and what they really need and want.

For ethnography: Be there, Be present, Be vulnerable, Be surprised.

My favorite tool/trick: Ask about the personality of a brand with questions like: If ___ were a person would it be male or female? Would you want to invite it to a party? Would you invite it into your home?

Loyalty is not the end-all be-all for a brand. Both the promise and the expectations of a brand should be brand-specific, and should be measured.

Blend qualitative data collection with quantitative collection and analysis

MANAGING BRAND

Build strong differentiation

Providing credible differentiation is crucial in maintaining relevance to the consumer, whether it is through differentiating an aspect of the brand experience (pre-game experience at the Atlanta Falcons' games) or differentiating the brand through its emotional connection with consumers (Coke).

One way to differentiate is to brand services or ingredients (Westin Heavenly Bed). Where key services or features exist, companies may lose by not branding them (e.g. Amazon did not brand their suggestion engine).

Consider differentiating by using tools that can energize or enhance the parent brand (Z3's introduction to the BMW line up)

Brand relevance is key to brand performance

Companies often spend too much time on brand performance and too little time on brand relevance. These companies fall into the danger of believing they are successful because customers remember a brand, all the while ignoring that the brands in a category customers no longer value.

Do not aim to be best in class in a category that is declining (e.g. focusing on selling the best minivan is not helpful when people are interested in SUVs). Be aware of trends that might affect your brand portfolio.

KEY CONSIDERATIONS FOR LINE EXTENSION:

Before launching a brand extension, make sure the parent brand is healthy. If the child brand becomes sick, the healthy parent can support it and also has the strength to weather the sickness (maintain its own health)

What is the effect of the parent on the child, and what is the effect of the child on the parent?

Are you going to a higher or lower-end customer with the new product? How will this affect the value of your brand?

Are you using your existing brand, sub-branding, or a new brand? Does this leverage/damage your current brand?

How will you test the product to gauge success before putting it on the market?

What is the competition? Can you win? How will performance in a new category affect your brand?

How will competition react? Does this affect your chances for success?

How will retailers/distributors react? What are their margins and is there shelf space? What is the burden for salespeople?

What are the manufacturing challenges and costs?

GLOBAL BRANDING

Global consistency vs. local relevance

The most successful global brands are organized in a way such that decisions can be made globally for efficiency, but whose specific brand messages can be tailored to local environments (Coke).

High-end products may be more likely to cater to a common global customer than retail and lower priced items – which are more likely to require localization since their overall customer base tends to be more local.

Brands with consistent meaning have some efficiencies (in messaging) but ultimately are faced with serious challenges as tastes are not homogenous across cultures, and even similarly valued constructs have important nuances.

For example, eliciting 'respect' in Japan (which tends to look down upon "standing out") would require different messaging than eliciting respect in the US, where individualism is highly valued. Similarly, Excitement in Japan (e.g., happy, talkative) is different than Excitement in the US. (cool, daring).

VIRAL MARKETING

Viral marketing is not "something for nothing". First, it is hard to design an effective viral marketing campaign. Second, there is a saturation effect for viral marketing devices because they are partially based on novelty.

While viral marketing can help a brand grow quickly and cheaply, it bears more risk than building a brand based on relevance and relationships. Though the latter is slower and more costly, it is most likely stronger.

Viral marketing is desirable due to its high impact and very low cost. However, for viral marketing to be truly effective:

Every customer become a salesperson

REBRANDING AND INTERNAL IMPLICATIONS

When considering re-branding, think through the impact that re-branding will have on all customers and stakeholders.

Consider the impact such a change on internal divisions (e.g. manufacturing who suddenly doesn't have as much budget to use), suppliers, middlemen purchasers, and competitors. The more you can anticipate how others might react to the change in branding, the better positioned you will be to play a proactive rather than reactive role in defending the change (Intel).

Good marketing teams have a keen ability to look across industries and outside the box when developing new marketing programs. (Nutrasweet and Intel)

REVITALIZING A BRAND

When re-vitalizing a brand, (Atlanta Falcons) a good framework to use for new branding activity is: connection with the consumer, consistency with the brand and conviction (have some, get some - the brand needs conviction to translate to its consumer).

Turning around a brand is highly dependent on understanding the real needs of the consumer. The overhauled brand should give answers to these needs and wants, and be consistent with them. This often involves a short-term decline in revenue or profitability.

It is important to ask the second and third question to properly assess whether a new marketing program will sit well with customers. That is, if the first question is "Would you stay for a concert after a football game?" - the second question would be "Would you still stay if your team lost?" (Atlanta Falcons)

BRAND RELATIONSHIPS

Understanding brand-customer relationships

Understanding the *TYPE* of relationship your brand has with consumers ("best friend" vs. "marriage") has important implications for how you manage the brand.

Marriage, an often sought after ideal, has downsides:

- 1) expectations are high
- (2) transgressions are not often tolerated
- (3) maintaining marriage intimacy with customers is difficult due to overcrowding from other companies trying to do the same.

Brands may be better off building relationships built on "warmth" or "excitement," as they are more forgiving and may better withstand transgressions.

There can be multiple relationship types for any single brand. For example, extremely loyal customers can be a "close friend," while the mainstream consumers maybe a "compartmentalized friend". This implies that in a relationship map of rewards and strength, some customers may be in one quadrant, while others land in another.

Developing and maintaining relationships

First interactions with a brand are the most memorable and lasting -- don't screw up. The do's and don'ts are established in the first six weeks of a relationship.

Keep asking yourself, what you are NOT (Lexus is not down to earth). By clearly understanding what it is not, a brand can strengthen its image by sharpening customers' perception of, relationships with, and mental space for the brand. (Old Navy does not promise quality).

Think about the fine line between having a relationship with your customers and bothering your customers; to try not to cross it.

Seek to understand the type of relationship you have with your customers, compare it to the type of relationship you want to build, and use tools to help you close the gap.

CO-BRANDING

To create a strong co-brand, both brands must have:

- Strong brand awareness
- Strong, favorable, and unique associations
- Positive judgments and feelings.
- Some brand equity.

The most important requirement is that there is a logical fit between the two brands such the combined brand or marketing activity maximizes the advantages of the individual brands while minimizing the disadvantages.

Some examples of bad co-branding:

- Aunt Jemima oatmeal waffles with Quaker oatmeal
- Beech-nut baby foods with Chiquita banana
- Ben and Jerry's Heath Bar Crunch ice cream
- Fat Free Cranberry Newtons with Ocean Spray cranberries
- Kellogg's Pop-Tarts with Smuckers fruit filling
- Reese's Peanut Butter Puffs cereal
- Post Raisin Bran with Sun-Maid raisins
- M&M Cookie Bars baking mix
- Kmart and Martha Stewart

MANAGING BRAND: TOOLS

Tools

Tool #1: Positioning Statement

Tool #2: Off/On Brand Exercise (**NFL**)

Off/on brand exercise in which various visuals / examples are brought up and the target audience decides whether what is presented is well aligned with the brand ("on brand"), is completely unrelated to the brand or even takes away from the brand message ("off brand"), or is neither related and nor unrelated to the brand ("in the grey area").

Making 'on-brand' decision is not always black and white... sometimes it's grey. There is not always a 100% correct answer. Requires consideration and debate. Discussion about examples in the grey area typically yields the most insight.

Tool #3: Concrete Changes

Make concrete changes. Think Heavenly Bed for Westin. To reposition in the business hotel space, Westin actually created a bed, the bed was better than other beds, and they branded it.

Example

Atlanta Falcons

Reinforced that successful branding goes way beyond a good logo, name and slogan. Dick Sullivan's work to streamline city traffic at 53 intersections on game day, conduct surveys with why fans did not attend a game, and his research on which logos best resonate with fans are all examples of the depths into which brands penetrate.

MANAGING BRANDS: KEY INSIGHTS

Going to jail doesn't have to be a bad thing.

Don't let a stumble, roadblock or challenge derail you. See it as an opportunity to do something else, reposition and be equally or more successful going forward.

Learn how to apologize: I understand, I'm sorry, this is what I'm going to do about it.

A brand that promises sincerity and fails on that count suffers harder than one that promises excitement but fails to be reliable.

A mistake can be an opportunity for a brand (especially if it's a brand that promises excitement)

It's possible to do social good and make a profit

Social good can be achieved through small entrepreneurial initiatives within organizations – the idea is to know how to leverage it and align it to the core strategy and message of the brand.

Managing Brand

Understand brand architecture

When thinking about making changes or adding extensions to your brand remember the mantra "Do no harm!"

The energizer in a portfolio strategy

Create bite-sized experience of a company's offerings

Know how to repositioning

Use three tools: Positioning Statement. Off/On Brand Exercise. Make concrete changes. Think Heavenly Bed.

Have a three-step strategy, and think holistically. Dick Sullivan's work to streamline city traffic at 53 intersections on game day, and conduct surveys with why fans did not attend a game.

Hammer

Establish a brand from the grassroots without social media is the base. The "tastemakers" – the mavens – are more important than the social media.

Have a clear value proposition ("Put on the record because my beat is booming and you will get rewarded (socially).").

Visual representation needs to reflect the value proposition (big flowing pants dialed up (visually) the fun. Also, Hammer and his dancers (not director) created the energy.

Actively control your brand. Hammer brought his own dancers to the club to create hype around his music to (a) clarify the value proposition ("get the party started") and (b) combat counter-arguments ("the music is too fast").

Bring a brand to the consumer at the most critical touchpoints, and then shape the experience. His strategy for (1) getting his 'message' to listeners through strategic use of words, (2) getting his records into clubs, and (3) putting his dancers in the clubs highlighted the holistic approach to bringing a product to consumers.

The way to push your brand is to put it in the hands of very creative people. Create a groundswell, word of mouth.

When something negative gets attached to you, can you reconnect it to the content-creator?

Localize your brand. In LA, the community needs one thing; in the South another thing. For example, in the South - created a video with every major athlete, incenting them to distribute as well - scaling social networking effects and marketing.

Momentum marketing; Create the perception that it is hot before it is hot. Getting ahead on the curve. Get in front of the opposition. Weed out the negative 5 months ahead of time. Social media helps to immediately refute.

Controlling the perception is more valuable than reality – at least today (but the two have to align). Create the perception. Control the perception.

Social media shortens the distance between the consumer and the brand. "When I use Twitter to talk about 'what I'm having for breakfast' – I use it to 'humanize' my brand"

Managing Brand

The power of personal connection and happiness

Personal connection and happiness are key for building strong, engaging brands.

With a start-up, idea or nonprofit, first ask for someone's time (even if you are hoping for money) and then ask for money.

Appendix

A SET OF REFERENCES AND TOOLS

Brand Building Rules of Thumb

Positioning Worksheet

Brand Equity Framework

Measuring Brand Personality

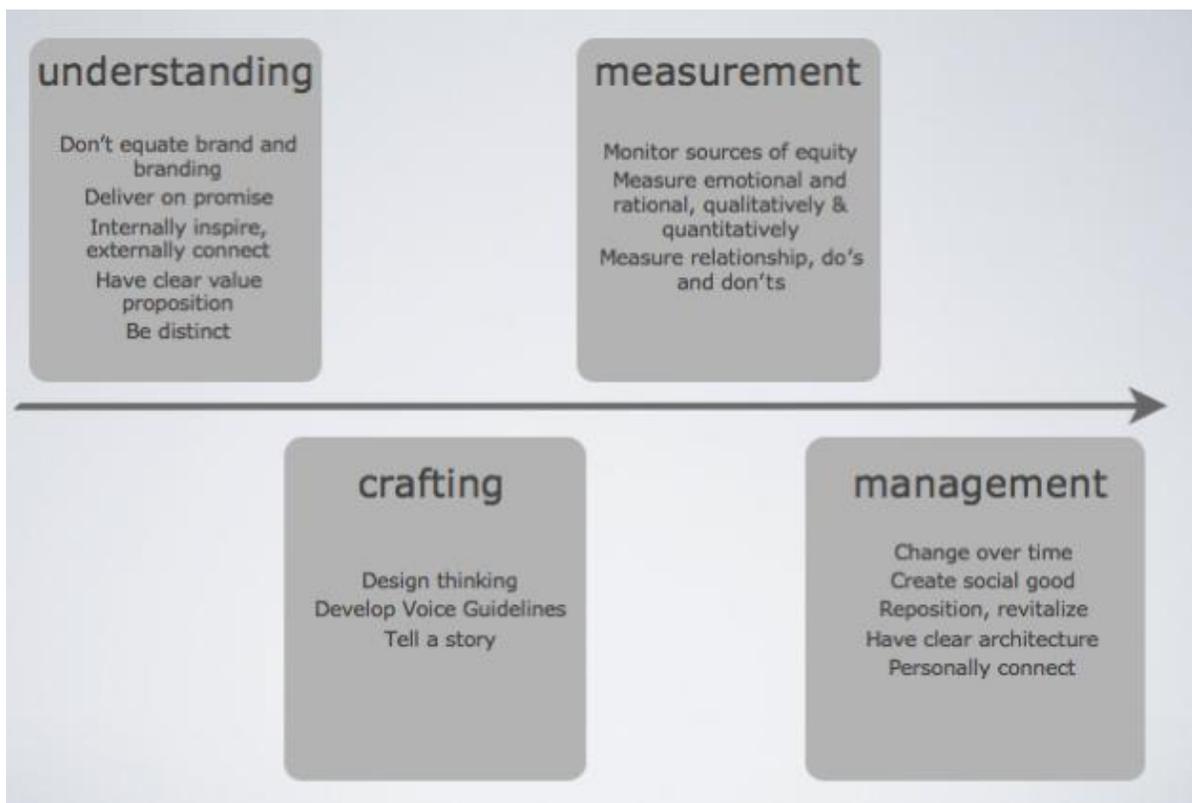
Understanding Consumer Behavior

How to be an Ethnographer

McDonald's Brand Tracking Survey

Brand Audit

Happiness



Appendix

BRAND BUILDING RULES OF THUMB

Definition of brand

A reputation – a promise made by the maker of the product/service.

Roles that brands play

Consumers

Identification of source of product

Risk reducer, signal of quality

Provide value (functional, emotional, expressive)

Promise (bond or pact with maker of product), setting expectations

Manufacturers

Means of identification to simplify handling or tracing

Means of legally protecting unique features

Signal of quality level to satisfied customers

Means of endowing products with unique associations

Source of competitive advantage and financial returns

Marketing Advantages of Strong Brands

Less vulnerability to competitive marketing actions

Less vulnerability to marketing crises

Larger margins

More inelastic consumer response to price increases - and elastic response to decreases

Greater trade cooperation and support

Increased marketing communication effectiveness

Possible licensing opportunities and additional brand extension opportunities

Greater loyalty

Appendix

POSITIONING WORKSHEET

This worksheet is designed to help facilitate positioning a new product in an existing category.

What is the product category?

This is usually a set of products or services designed to meet a particular need (or closely related set of needs).

What are the available alternatives in the product category?

The category should be defined so that these are reasonably close substitutes.

What are the important/relevant attributes that describe and differentiate the available alternatives in the product category?

These include physical features and characteristics, product associations, user benefits, etc.

Who are the existing and potential customers for this product category?

How is the market segmented?

Start by defining each segment according to needs and/or benefit(s) sought. Which attributes are most important to each segment? It should then be possible to profile these segments using addressable criteria such as demographics, geography, lifestyle, etc.

What is (are) the appropriate target segment(s) for the new product?

These need to be evaluated in light of the objectives of the company.

Which of the available alternatives in the product category are most appealing to the target segment(s)?

What are the different strategies one might use to position the new product against the existing alternatives for the target segment(s)?

Look for opportunities to establish points of parity (to indicate membership in a particular group of products) and points of difference. Some possible positioning strategies are:

by attribute (one of which might be price/quality)

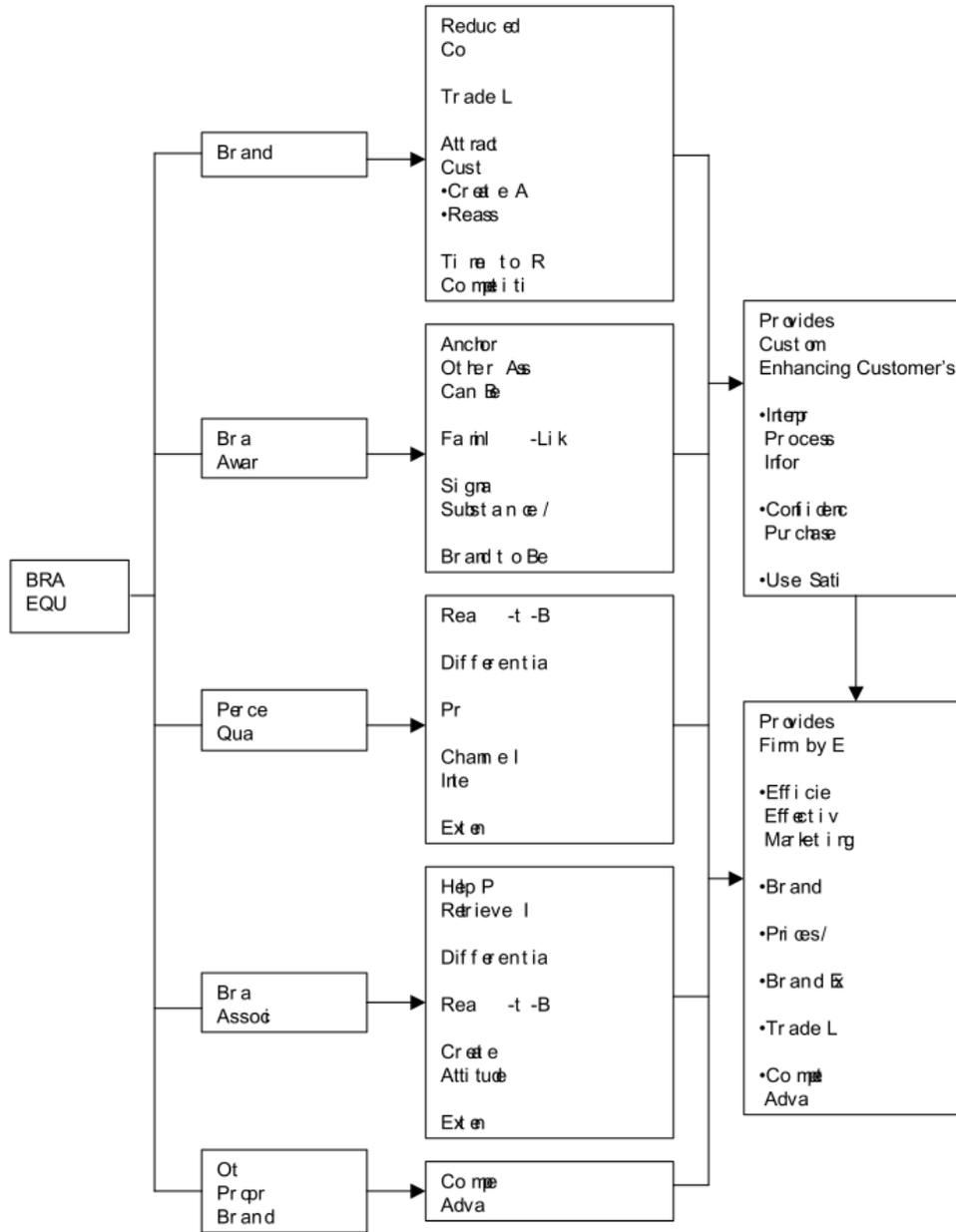
by use or application

according to who uses the product

in a different product class

with respect to a competitor

BRAND EQUITY FRAMEWORK

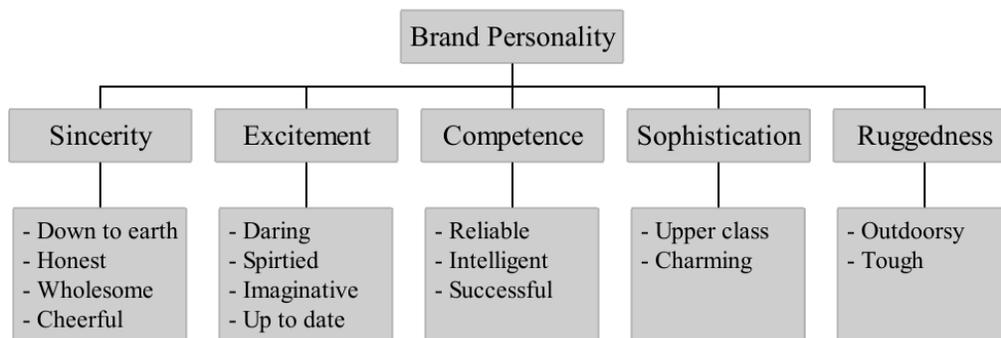


MEASURING BRAND PERSONALITY

"To what degree do the following traits describe brand X?

(1 = not at all descriptive, 5 = extremely descriptive)?"

Sincerity down-to-earth family-oriented small-town honest sincere real wholesome original cheerful sentimental friendly	Sophistication upper class glamorous good looking charming feminine smooth
Excitement daring trendy exciting spirited cool young imaginative unique up to date independent contemporary	Ruggedness outdoorsy masculine western tough rugged
	Competence reliable hard working secure intelligent technical corporate successful leader confident



Appendix

UNDERSTANDING CONSUMER BEHAVIOR

Who buys our product or service?

Who makes the decision to buy the product?

Who influences the decision to buy the product?

How is the purchase decision made? Who assumes what role?

What does the customer buy? What needs must be satisfied?

Why do customers buy a particular brand?

Where do they go or look to buy the product or service?

When do they buy? Any seasonality factors?

What are customers' attitudes toward our product?

What social factors might influence the purchase decision?

Does the customers' lifestyle influence their decisions?

How is our product perceived by customers?

How do demographic factors influence the purchase decision?

SEGMENTATION BASES

Consumer

Behavioral

Demographic

Psychographic

Geographic

Business-To-Business

Nature of Good

Buying Condition

Demographic

Appendix

HOW TO BE AN ETHNOGRAPHER

Five Ways of 'Being': a guide to an ethnographic mindset

Be There. Ethnography is about dislocation, movement, the place; you need to feel a bit shaken or dislocated. You need to BE there. Being there gets you:

Symbols & iconography

Intangible sensory input: Color, sound, smell

Be Present. Catch details of the moment, focus on nuance. Don't just watch, do.

Engage with people

Turn off your phone, log-out, change gears

Read papers, eat local food, keep local hours

Talk to people

Make sure you record it all in some way that works for you: Notebook, camera, etc.

Be vulnerable. Leave your comfort and notions behind. You are not the expert here.

Let yourself be open, overwhelmed. You aren't the expert here. You should feel uncomfortable or at least off balance.

Be open to other people. If you ask questions, they might too

Be truthful and disclosive as appropriate (but this isn't about you)

Be quiet and still

Be overwhelmed

Be surprised. If you know what's going on, it's time to go home.

Challenge your own assumptions

Suspend your need to make sense of it all

What sticks out? What doesn't?

Be willing to ask stupid questions and get it wrong

Keep track of what is surprising you: Use photos, maps, narrative

Be honest and be brave. Tell the stories you hear. Be creative about presenting material. Be true to what you saw and were told: What would the people you worked with think/feel if they heard you talk?

Appendix

MCDONALD'S BRAND TRACKING SURVEY

Assume that McDonald's was interested in designing a short tracking survey to be conducted over the phone. How might you set it up? Although there are a number of different types of questions, it might take the following form:

We are conducting a short phone interview concerning consumer opinions about quick-service or "fast food" restaurant chains.

BRAND AWARENESS

Recall (unaided)

What brands of quick service restaurant chains are you aware of?

At which brands of quick service restaurant chains would you consider using?

Have you eaten in a quick service restaurant chain in the last week?
Which ones?

If you were to eat in a quick service restaurant tomorrow for lunch, which one would you go to?

What if instead it were for dinner? Where would you go?

What if instead it were for breakfast? Where would you go?

Which are your favorite quick serve restaurant chains?

Recognition.

Now, we want to ask you some questions about a particular quick service restaurant chain, McDonald's.

Have you heard of this restaurant? [Establish familiarity]

Have you eaten at this restaurant? [Establish trial]

BRAND IMAGE

What are the top five words that come to mind when you think of "McDonalds" (This should take less than 30 seconds)

Brand Attributes

How well do the following words describe McDonalds

(1= not at all, 5 = very much)?

McDonald's ...

Is convenient to eat at

Provides quick, efficient service

Has clean facilities

Is for the whole family

Has delicious food

Has a varied menu

Has friendly, courteous staff

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- Offers fun promotions
- Has a stylish and attractive look
- Has good prices

Brand Personality (note this might also include user imagery, usage imagery as breakout questions)

How well do the following traits describe McDonalds (1= not at all, 5 = very much)?

- Sincere
- Exciting
- Competent
- Sophisticated
- Rugged
- Peaceful
- Passionate

Judgments of Quality

- What is your overall opinion of McDonald's?
- What is your assessment of the product quality of McDonald's?
- How good a value is this McDonald's?
- Is McDonald's worth a premium price?
- What do you like best about McDonald's?

Judgments of Credibility

- How innovative is McDonald's?
- How much do you admire McDonald's?
- How much do you respect McDonald's?

Judgments of Consideration

- How likely would you be to recommend McDonald's to others?
- To what extent does McDonald's offer advantages that other brands cannot?
- How personally relevant is McDonald's to you?

Judgments of Superiority

- How unique is McDonald's?
- To what does McDonald's offer advantages that other brands cannot?

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To what extent is McDonald's superior to other brands in the quick service restaurant category?

Feelings

Does McDonald's give you a feeling of ... (1= not at all, 5 = very much)

Warmth

Excitement

Trust

Awe

Fear

Calm

Intensity

RELATIONSHIP

If McDonalds came to life as a person, what type of person would s/he be?
This should take less than 30 seconds.

If McDonalds came to life as a person and was at a party with you, what would s/he say to you? This should take less than 30 seconds.

Loyalty

I consider myself loyal to McDonalds.

I eat at McDonalds whenever I can.

This is the one brand of fast-food restaurant I would most prefer to visit.

If McDonalds were not an option, it would make little difference to me if I had to eat elsewhere.

I would go out of my way to go to McDonalds

Attachment

I really love McDonalds.

I would really miss this brand if it went away.

McDonalds is special to me.

Engagement

I really like to talk about McDonalds to others.

I am always interested in learning more about McDonalds.

I would be interested in merchandise with this brand's name on it.

I like to visit the website for McDonalds.

Compared to other people, I follow news about McDonalds closely.

Appendix

Community

I really identify with people who use this brand.

McDonalds is often frequented by people like me.

I feel a deep connection with others who use this brand.

BRAND AUDITS

A brand audit provides a systematic way to inventory current brand assets and strategy. The audit will allow problems to be identified and priorities to be set with respect to brand strategy development and implementation. There are three main stages to a brand audit: inventory, exploratory and recommendations.

The goal of the brand audit is to identify potential pitfalls or opportunities for development of the brand and to make actionable recommendations on how management could improve. By the end of the inventory stage, your group should have an understanding of 1-3 potential problem or opportunity for improvement.

STAGE ONE: INVENTORY

The first stage, inventory, is comprehensive summary of the firm's marketing and branding programs. This includes the firm's position relative to competitors (points of parity, points of difference), understanding the bases of brand equity, and the benefits associated with the brand. No analysis needs to be done in this section as it is a basic overview of what currently "is". The types of questions to be answered include:

What is the brand? And what is its promise?

What are the branded features, services or components of the brand?

Where in the lifecycle is the brand(s)?

What is the brand heritage/history and where is it now? How consistent has the brand been over time and across brand programs?

What is the brand portfolio? Are there sub-brands?

Who are the major competitors and what are the features, services or components of their brands?

Who are the brand's customers and how are they segmented?

The goal at this stage is to identify 1-3 of the biggest branding issues/problems facing the company. Make these concrete, so tackling them (i.e., providing recommendations) is focused and doable.

STAGE TWO: EXPLORATORY

The second stage of the brand audit is the most in-depth and involves strategic analysis based on the principles we have focused on throughout the quarter.

At the heart of the exploratory is empirical research. Your group will conduct qualitative and/or quantitative research, including conducting at least two 1-1 interviews or a minimum of one focus group

or a survey. Ideal audits provide both qualitative and quantitative insight, but that is optional. Importantly, justify the method, explain the method and make sure the insights from the research are insightful (i.e., they shed light on the critical issues faced by the brand - e.g., points of parity vs. difference, true differentiation and its sustainability in the long run, issues of relevance and/or consistency).

As a general guideline, you might consider including questions such as:

What is its value proposition (is it clear, multi-faceted)?

What is the brand's point of parity and differentiation (from a consumer's point of view)?

What is awareness levels (either among core target, or non-target market, depending on which is of greater interest to you)

What are the brand attributes and personality?

What are consumer judgments and feelings about the brand?

What types of relationships do customers have with the brand?

How differentiated, relevant, esteemed and intimate is the brand (with its consumers)?

What have been the brand's brand building activities? What advertising themes have been placed behind the brand?

If your brand has multiple sub-brands or the brand is used across categories, does it work in each context? Are there too many brands, is it too stretched? Are some not being leveraged enough? Are the brand extensions relevant and meaningful? Do they support/reinforce/build the parent brand equity and consider implications for future growth?

The choice of questions you focus on and the choice of method you use, and the tools you use to explain the brand's current situation or how it should tackle.

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STAGE THREE: RECOMMENDATIONS

In this phase, your team should make actionable recommendations to the brand or senior manager of the brand you are studying. Based on your findings from the inventory and exploratory stages, develop recommendations on how the brand could be better managed. This may involve recommendations that fall in each of the sections of our framework such as (examples only):

Understanding – suggestions based on undertaking through investigation of how the brand is actually perceived in the marketplace (may be a result of you finding discrepancy between what they currently believe and what you found in your own analysis.)

Crafting – recommendations on name, image, symbols, creative or marketing programs which would enhance the brand's leverage or better speak to the target customer.

Measuring – suggest management undertake measuring brand equity either qualitatively or quantitatively to gain important insight into future actions. (Include a hypothesis of what the group believes the brand manager might find and why this is important.)

Managing – Based on understanding, crafting and measuring, as well as where in the lifecycle the brand is, should the brand consider (some examples):

- Moving up or down market
- Revitalization of the brand
- Changing existing brand architecture
- Explore opportunities for co-branding
- Explore opportunities in subbrands or extensions
- Explore ways to leverage the brand further

Appendix

HAPPINESS

Effect of personal connection on happiness

Greater happiness ensues from experiential purchases than from material purchases (Van Boven & Gilovich 2003, *JPSP*)

Meaning of happiness evolves over a person's lifespan. Happiness is associated with excitement in our youth and teenage years. Then, as we grow older, happiness becomes increasingly associated with peacefulness.

The meaning of happiness is malleable. A mediation session encourages young people to define happiness as peacefulness. As young adults feel a sense of connection through meditation, they begin to define happy as peaceful.

Takeaways

How do you define happiness? (in terms of time or money)

Happiness changes every 3-4 years

Personal connection is very important; feelings of personal connection promote happiness

Six Selves Model

Identify key domains: i.e. friend, parent, partner, work, spirituality, health, etc.

Identify your temporal sweet spots for each domain. Your **sweet spots** are the times of day in which you do these activities or roles the best (i.e. good friend during happy hour on Thursday nights)

List favorite **traditions** (things or activities that you like to do) that you associate with each domain. An **effective tradition** spans 3+ domains. If no current tradition/activity spans at least three domains, think of ways to extend the activities you are currently involved so that they span more domains. (i.e. do yoga with your friends which touches both friend, spirituality and health domains)

