

Better Brands:

Beyond the Logo

Most marketers rely too heavily on gut feel to build a brand. The key to building better brands for less money is to combine long-term market segmentation thinking, with a thorough understanding of customer needs related to the brand experience.

Building a strong brand is not getting any easier. In the last decade alone, there has been an explosion of new brands in the market, along with a proliferation of ways to communicate them to customers – from hundreds of new cable and satellite channels to internet advertising. Can you still remember only having 13 channels from which to choose?

Take note, market research shows there were approximately 15,000 brands on US grocery store shelves in 1991; by 2001, there were 45,000 (source Advertising Age). It is clearly getting more difficult to build your brand in this increasing cluttered environment.

To build a better brand, you first need to know what a brand is.

A brand can be many things including a promise of what the customer can expect from your company's product or services, a compelling point of differentiation, or a story about your company, its values and identity. Above all, it is your organization's most valuable asset.

To the customer, the brand is everything they touch that is associated with the company and its products – from the color of the box and design of the logo to pricing, product features, delivery, customer service and all things in between.

Companies must recognize that a brand consists of more than a bundle of tangible, functional product features and attributes. Many times emotional benefits are by far more important in influencing the purchasing decision than other rational considerations.

Remember, a brand's sole business purpose is to provide a way for the company to differentiate its products from competitors – the only real way to create true corporate value.

Therefore, creating brand loyalty should be every CEO's top priority.

To create better brands, there are three basic steps companies need to follow.

The first step is to group your target customers into clearly defined segments, and then try to determine the long-term profit potential of each of these segments.

Make sure you take a long-term perspective on your market, so that you don't miss key trends that could transform your most profitable customer segments now into a drain on your company's future performance, or even worse, miss out on new product opportunities that competitors capture.

Once companies have identified their most promising current and future customer segments, they should then define precisely the needs of each customer by segment and determine what these customers truly care about.

Now match your products and services in each segment (your value proposition) with the above defined customer needs to determine how well you are meeting these needs.

This is a complex challenge. Many marketers promote many different tangible and intangible

brand attributes haphazardly by trial and error – a costly endeavor that many companies follow.

However, the most successful brands only emphasize those attributes that customers find relevant and which serve to differentiate the company's products from competitors. Single-mindedness on communicating the core message of the brand is key.

There are many tools that can help in the branding process, such as consumer research or statistical analysis; however, I suggest you start with a simple matrix that identifies and ranks the most important brand attributes for each customer segment, and then proceed from there. Remember, customers set the rules - learn to identify and play by them.

Once you have identified clear customer segments, their needs, economic potential, and the brand attributes that customers find most relevant, you are ready for the last step: creating the brand experience.

Armed with knowledge and data to support your brand strategy, you can start focusing the whole organization – from a new hire in customer service to the CEO - around creating a compelling brand experience that will deliver a lasting, competitive advantage and transform your organization into marketing powerhouse.

Gut feel is important, but intuition, combined with a sound, methodical approach, will almost always produce better results.

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