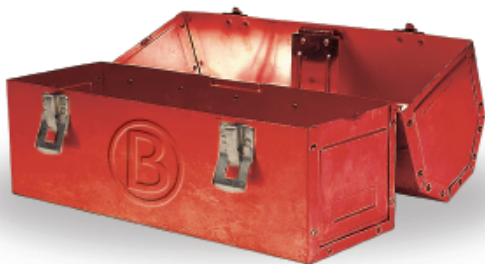


the Branding Toolbox

A short guide to “new” branding



www.brandingToolbox.com

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Ivan Pavlov won a Nobel Prize for his research into branding in 1904. Remember the story? Day after day, Pavlov would ring a bell as he rubbed meat paste onto the tongue of a dog. The dog soon began to associate the taste of the meat with the sound of the bell until salivation became the dog's conditioned response. In psychological terms, this is known as "implanting an associative memory." In other words, it's "branding" in all its glory.

There are three keys to implanting an associative memory into the minds of your customers:

Consistency: Pavlov never offered food without ringing the bell, and he never rang the bell without offering food.

Frequency: Pavlov did it day after day after day.

Anchoring: When implanting an associative memory, the new and unknown element (the bell) has to be associated with a memory that is already anchored in the mind (the taste of meat). Frequency and consistency create "branding" only when your message is tied to an established emotional anchor. Pavlov's branding campaign was anchored to the dog's love for the taste of meat. If the dog did not love meat, the frequent and consistent ringing of the bell would have produced no response other than to irritate the dog.

The public is your dog.

If you desire a specific response from it, you must tie your identity to an emotional anchor that is already known to elicit the desired response. If you make such an association with consistency and frequency, branding will occur.

In essence, if advertising is "getting your name out," then branding is "attaching something to your name." A brand is the sum of all the mental associations, good and bad, that are triggered by a name. What does your name stand for in the mind of the public? What associations are triggered by your name? Getting your name out isn't worth much when there's no mental image attached to your name.

Branding is much more than name recognition, a color scheme, a logo and a slogan. Brand essence is the complex mental image summoned by a name, even when that name is heard silently in the mind. Unlike a mere visual image, a mental image is a complex composite of sight, sound, smell, taste, touch, opinion and mood. Brand essence is everything a brand stands for in the heart of the customer. What does your brand stand for in the heart of your customer?

Don't mistake company size for brand strength. Wal-Mart and Dell are big, profitable companies, but neither is a particularly strong brand. Low prices and quick delivery measure only operational excellence; they tell us nothing about the heart of the company or the devotion of its customers. Conversely, Starbucks and Apple are smaller companies but bigger brands.

The best branding campaign ripples outward from a company's core culture and nonnegotiable standards. This brand essence is then transmitted through every contact point with the customer: advertising, merchandising, décor, staffing and policies. The degree to which your corporate values resonate in the heart of your customer is the measurement of the strength of your brand.

Your brand must be anchored to core values buried deep in the heart of your customer. To what values is your

brand linked? The powerful Harley-Davidson brand wasn't built on the motorcycle itself, but on the values of nonconformity and the freedom of the open road. Owning a Harley is a statement of rebelliousness and self-determination. It is a magical talisman that grants you entrance to the Island of Pirates. Has there ever been a boy who didn't dream of being a pirate?

Would you like to know what your brand stands for in the heart of your customer? Are you sure? The truth can be painful.

Brand new Branding: The Brand is dead. Long live the Brand!

Forget what you knew about branding. The technology, specifically the internet changed everything. Ten years ago, the average person thought of branding as that creative thing you do with the name of a product. Or it meant designing a new wrapper. Or maybe it was the print or television advertising that relayed the brand message. But that was a simpler time, when there were far fewer media vehicles and less competition in most product categories.

Today, branding is everything. Brands are not simply products or services. Brands are the sum total of all the images that people have in their heads about a particular company and a particular mark. Brands absorb everything around them. Marquee brands suffer if they show up at retail in a sea of poor quality products or in a questionable store.

We often underestimate how long brands can hold on to a negative association, even if it's just water cooler talk about a car that continually breaks down. The Web has increased the consuming public's ability to rant or rave

about a company or service. Smart companies now recognize the necessity of being responsive to the criticisms, in real-time, and of making sure the brand is consistent, and is as good as it can be, wherever it shows up, and even after the sale has been made. The tools the salespeople use to sell it, public relations efforts and follow-up customer service all must reflect brand values and impart a consistent brand image.

Most Web-based retailers still don't fully understand merchandising, particularly from the brand's perspective. A lot of brands are pulling their hair out, especially over some of the unauthorized sites that just say, "Here is the item or the brand, and here is the price," and do nothing to explain (much less leverage) what makes that product unique. To make matters worse, lots of consumers are looking for information and brand cues, and Web retailers that fail to deliver those will lose the sale to someone who does. Price is not everything.

In this increasingly customer-centric world retailers must also respect brands. Priceline.com found out the hard way that brands do matter and that they can wield significant power. Its "name your own price" model assumes that consumers are willing to buy a ticket on any major full-service airline or affiliate, regardless of the brand, just based on price; Priceline doesn't tell customers which airline they'll be flying on until they've bought the tickets. And when Priceline's stock was flying high, founder Jay Walker openly questioned the value of brands and pointed to price as the only thing that really mattered. Eventually the airline and hotel brands woke up and found a way to begin disintermediating Priceline from the sale of discounted seats while maintaining control of how their brands were represented to potential customers. Most airlines now book the majority of their Web tickets through their own sites.

Manufacturers must also recognize that they can no longer make one product and ship it to anything that walks, on or off the Web, and then turn their back on what happens next at retail. With price as the only major means of differentiation, the retailers eventually get hurt by someone more desperate than them—and there has never been a shortage of desperate merchants. Eventually, price points and profit margins collapse and the brand gets hammered because the value proposition in the minds of the consumer (and the merchant) has been doomed or at least proven to be schizophrenic. By creating a wider variety of unique products, many specific to a particular channel, customer segment or merchant, brands and retailers stand a greater chance of protecting their margins. Brands that mass customize, take control of their distribution and understand the impact of emerging technologies will do well. Those that create undifferentiated products and sell to anything that walks will eventually go out of business. It is that simple.

What is a Brand?

Brand is the proprietary visual, emotional, rational, and cultural image that you associate with a company or a product. When you think Volvo, you might think safety. When you think Nike, you might think of Michael Jordan or "Just Do It." When you think IBM, you might think "Big Blue." The fact that you remember the brand name and have positive associations with that brand makes your product selection easier and enhances the value and satisfaction you get from the product.

Brands are about trust. Have I mentioned that before? Let me mention it again. Brands equal trust. Brands are promises, a guarantee of expectation fulfilled. Consumers instantly recognize a host of significances in

any given brand. They buy into them as they do into their own beliefs. At least, that's what happens when you can align your needs with the signals the brand sends you. That's the challenge for brand-builders. The American Marketing Association (AMA) defines a brand as a "name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of???????"

Therefore it makes sense to understand that branding is not about getting your target market to choose you over the competition, but it is about getting your prospects to see you as the only one that provides a solution to their problem.

The objectives that a good brand will achieve include:

- Deliver the message clearly
- Confirms your credibility
- Connects your target prospects emotionally
- Motivates the buyer
- Concrete User Loyalty

To succeed in branding you must understand the needs and wants of your customers and prospects. You do this by integrating your brand strategies through your company at every point of public contact. Your brand resides within the hearts and minds of customers, clients, and prospects. It is the sum total of their experiences and perceptions, some of which you can influence, and some that you cannot. A strong brand is invaluable as the battle for customers intensifies day by day. It's important to spend time investing in researching, defining, and building your brand. After all your brand is the source of a promise to your consumer. It's a foundational piece in your marketing communication

and one you do not want to be without. While Brand X cola or even Pepsi-Cola may win blind taste tests over Coca Cola, the fact is that more people buy Coke than any other cola and, most importantly, they enjoy the experience of buying and drinking Coca Cola. The fond memories of childhood and refreshment that people have when they drink Coke is often more important than a little bit better cola taste. It is this emotional relationship with brands that make them so powerful.

Marketing vs. Advertising

You will often find that many people confuse marketing with advertising or vice versa. While both components are important they are very different. Knowing the difference and doing your market research can put your company on the path to substantial growth. Let's start off by reviewing the formal definitions of each and then I'll go into the explanation of how marketing and advertising differ from one another:

Advertising: The paid, public, non-personal announcement of a persuasive message by an identified sponsor; the non-personal presentation or promotion by a firm of its products to its existing and potential customers.

Marketing: The systematic planning, implementation and control of a mix of business activities intended to bring together buyers and sellers for the mutually advantageous exchange or transfer of products.

After reading both of the definitions it is easy to understand how the difference can be confusing to the point that people think of them as one-in-the same, so lets break it down a bit.

Advertising is a single component of the marketing process. It's the part that involves getting the word out concerning your business, product, or the services you are offering. It involves the process of developing strategies such as ad placement, frequency, etc. Advertising includes the placement of an ad in such mediums as newspapers, direct mail, billboards, television, radio, and of course the Internet. Advertising is the largest expense of most marketing plans, with public relations following in a close second and market research not falling far behind.

The best way to distinguish between advertising and marketing is to think of marketing as a pie, inside that pie you have slices of advertising, market research, media planning, public relations, product pricing, distribution, customer support, sales strategy, and community involvement. Advertising only equals one piece of the pie in the strategy. All of these elements must not only work independently but they also must work together towards the bigger goal. Marketing is a process that takes time and can involve hours of research for a marketing plan to be effective. Think of marketing as everything that an organization does to facilitate an exchange between company and consumer.

Is Branding just for large companies?

No, not anymore. The process can be applied to any business, organization, or product. The techniques of branding have been kept secret for many years because they provided a competitive advantage to those companies that used them. The process takes the proven principles of branding used by companies like Microsoft, P&G, GE, and Coca Cola and puts them into a simple, understandable, and easy-to-use process. This process can be used by retailers, service businesses,

manufacturers, businesses, and organizations of all types and sizes.

What makes up a brand identity?

A typical brand identity includes a brand name, positioning statement, category descriptor, organizational values, brand archetype, and the brand's key purchase factors with their tangible and emotional benefits (brand associations).

Definition: How you want the consumer to perceive your product or your brand. Companies try to bridge the gap between the brand image and the brand identity. A good brand name gives a good first impression, is easy to remember, and evokes positive associations with the brand. The positioning statement tells, in one sentence, what business the company is in, what benefits it provides and why it is better than the competition. Imagine you're in an elevator and you have 30 seconds to answer the question, "What business are you in?" The category descriptor lets your customers know what "hook" to put your branding on in their mind. Linking your internal organizational values with your brand builds trust with your customers. Brand archetype and personality adds emotion, culture and myth to the brand identity by the use of a famous spokesperson (Bill Cosby - Jello), a character (the Pink Panther), an animal (the Merrill Lynch bull) or an image (You're in good hands with Allstate). Brand associations are the attributes that customers think of when they hear or see the brand name. Ideally, you want customers to think of what they want from the brand (e.g., reliability and the benefits of reliability) and then associate that attribute with your brand name.

How do you determine your brand identity?

Brand has been called the most powerful idea in the commercial world, yet few companies consciously create a brand identity. Do you want your company's brand identity created for you by competitors and unhappy customers? Of course not. Our advice to executives is to research their customers and find the top ranked reasons that customers buy their products rather than their competitors. Then pound that message home in every ad, in every news release, in communications with employees, in every sales call, and every media interview. By consistent repetition of the most persuasive selling messages, customers will think of you and buy from you when they are deciding on whether to buy from you or your competitor.

Building Your Brand

A brand is a promise of the value your clients will receive. In an amazingly complex and competing world-where it is increasingly hard to know what is real and what is not-having your customers not only acknowledge but support the promise of your brand is the key to building a thriving business.

To become a brand, you've got to become relentlessly focused on what you do that adds value. Do you deliver your work on time, every time? Do you anticipate and solve problems before they become crises? Do your clients save money and headaches just by having you on the team? Do you complete projects within the allotted budget?

Branding integrates customer service, sales promotion, public relations, direct mail, newsletters, discounts, event sponsorship, word of mouth and other

communications tactics to present a unified message about the company, its products or services.

Your brand will integrate all your marketing around a core idea and vision. As a result, you will find it easier to sell yourself, because your message will be uniform and powerful. Every business needs to evaluate its brand identity against the following criteria:

Relevance to the Market: A brand must stand for something that is meaningful to members of a target market. Your brand encompasses the total experience of doing business with you.

Consistency of Behavior: Customers must be able to depend on the brand to deliver the same experience every time. Because your market experiences your values through your brand, the only way they will truly become loyal to your brand is through your dedication and consistency.

Relationship-Building: A brand is not a logo or an advertising strategy. "The strength of any brand is in the relationship it has between a company and its customers. The stronger the relationship, the more business they will do, and the more likely it is that customers will refer them to their friends and business associates.

Loyalty to the Customer Is Returned: The test of a brand is, in fact, the strength of loyalty it generates. If you have a strong relationship with your target audience, then you have a strong brand and a strong business.

Reputation Is Priceless: The only way to be successful in business is by establishing a good reputation, and a brand can help you do that. Your reputation works as your

strongest marketer by communicating the relationship you have with people who've done business with you, and your target market in general.

Good brands stand the test of time. To develop a brand that will last a lifetime, go beyond what you do right now. Think long term. Look at Coke, Ford and General Electric. No matter what they sell or how they change over time, they can rely on their brand equity build on a foundation of customer trust to take them deep into their customer is trust quotient and keep them there.

If you establish a place of trust and relevance in prospects' minds, you're already in the door. The more people believe in your brand, the more it will spread throughout your niche market without your pushing. If your brand is clear, distinctive, and easily understood, and expresses a unique, compelling benefit that people believe in, it will bring you all the business you can handle.

Last but not least...

Brand Strategy, Planning, Target Marketing, Public Relations and many more elements of branding have to be considered and started from the scratch, custom made just for your company. Hopefully you read this before you start anything to initiate any process of branding, marketing or advertising for your business, and this little booklet may earn the spot next to your kids' pictures on the fridge. If you do not have professionally run Integrated Marketing Communications specialists inside your business, you need to hire people or contract an outside agency.

You can throw a stone these days and chances are that you will hit some sort of marketing or an advertising

firm, let's say: 7 out of 10 pitches, right on the forehead... Do your research carefully, though. The traditionally attractive marketing services combined with the trendy technological changes produced a dense market of new agencies of such profile. Chances are that you may end up in the hands of one of many "software happy" enthusiasts that have no respect to fundamentals of branding, which still have not changed, despite of the new technologies.

Remember that branding may take long time and a substantial percentage of the budget to actually show results... making sure therefore that the process is carefully and professionally planned is one of the objectives you cannot afford to take easy on.

Format limitations prevent us from publishing more information, but please read more at our website (www.brandingToolbox.com). This booklet was intended to direct your attention towards some fundamental, how often misunderstood brand related topics which we address on daily basis.

Of course, we've barely touched the subject... but we did a nice branding effort, did we not?

Thanks for reading.

On behalf of The Branding
Toolbox Inc.,

Will Baranski
Creative Director.



the Branding Toolbox

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marketing
and
advertising

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