



IS YOUR COMPANY'S BRAND SELLING YOU SHORT?



We often hear from new clients that their brand is "okay," but is okay really enough when it comes to that first impression your potential customer receives?

Let's play a word association game: We say soft drink, and you say Coke (or Pepsi, depending on which camp you're in). If we say "apple," chances are you'll think of the iPhone instead of the nutritious fruit that keeps the doctor away. What about "tractor"? Did a green machine with the iconic John Deere logo pop into your head? Okay, you get the idea—there are certain products and companies that have achieved mega-brand status. Now, you might be thinking, "Hey, my company makes rubber gaskets or provides IT service—we'll never be a household name. That's okay, because no matter what business you're in, big or small, consumer or B2B, **your company's most valuable asset is your brand.** And, the same principles that created brand giants can be applied to your company to leverage that asset.

BRAND

The word brand is most often defined as symbol, name, and/or sign that identifies and distinguishes one product or service from competitive products and services.



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Reality Check

While buildings, equipment, and talent all represent a huge investment, in many cases, your brand image is worth more than all of those assets combined, even if it's not reflected on your balance sheet. Unfortunately, many companies only become aware of that value when brand image begins to suffer.

This was the case with "Metro Cars," which provides both corporate and personal transportation services. Metro Cars has been a leader in the industry for many years and has a solid reputation for quality, service, and reliability. They have a base of loyal customers and several large contracts that they rely on year after year. Recently, however, several new competitors have entered the market, and many of their longtime corporate buyers have retired. Metro Cars had not focused on "branding" for a long time, which allowed new upstarts to get a foot in the door and steal market share, especially with younger customers.

The problem is that reality and perception are often two different things. In reality, Metro Cars had invested in a beautiful fleet of new, state-of-the-art vehicles. However, unless you are a current customer, you would never know it from looking at their outdated website and other materials. In reality, Metro Cars ranked high in customer service, but this achievement was not communicated well. And finally, one of the company's fastest growing segments—the use of vehicles for a night on the town—was buried at the bottom of the company's list of services, instead of highlighted.

The company had no desire to change the way they do business, as they were delivering on their promises of quality, service, and reliability. They were also proud of their longevity, as they should be, but that was not the most important message to attract new customers. An upcoming trade show gave Metro Cars

Some companies are so well regarded in their industry they can put an actual value on their brand. In 2013, Gardner Denver, a company that makes pumps, compressors, blowers, loading arms, and fuel systems, was offered \$3.74 billion by KKR based on its outstanding reputation. What's more, 43% of its value was in "goodwill and other intangible assets"—in other words, its brand.

the impetus to make some brand image changes. They updated their website with newer, fresher images, made it easier to navigate, and highlighted their message of quality, service, and reliability with customer testimonials. They asked customers to post photos of themselves using the vehicles for a variety of events and leave comments about their experiences. New brochures and other collateral materials shared the updated look, and even phone scripts were rewritten to reflect the new image. The response has been overwhelmingly positive! And, they are already beginning to take back some lost market share.

Bear in mind, even many mega-brands have gone through a rebranding process in order to keep their image relevant and respond to changes in the market or public perceptions. For instance, in the late 1990s, Target was viewed as just another discount store, indistinguishable from its competitors. However, by introducing some high-profile designers and creating the image that it's "a cool, fun place to shop" (a message that is consistently conveyed through ads, store interiors, and online interactions), they are now the second largest discount retailer in the United States and are still expanding. Likewise, UPS changed its image from big and boring to personal and innovative; Old Spice created a fresh identity for a new generation; and even McDonald's has rebranded itself as more health conscious with a greater variety of choices resulting in a sales resurgence.

Why Branding Is So Important

Let's face it, we live in a branded society. In fact, people's buying decisions are likely to be influenced by brands today, more than ever before. This increase in brand awareness is partly due to our culture, but much of it can be attributed to the access to information. The Internet allows consumers to research products and services and make informed buying decisions. It also gives them the means to share information. In today's digital environment, a brand can rise in fame or fall to shame in a matter of minutes! When asked, 78% of respondents in the ClickFox brand loyalty survey said they show their loyalty by spreading the word and telling others, while 69% said they buy more, and 54% eschew competing products/companies in favor of their preferred brands.





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Amidst this clutter of information, a strong brand—one that tells a compelling and relevant story—will stand out. In addition, a robust brand image can:

- command higher prices;
- withstand economic downturns and adversity;
- improve the return on marketing and advertising investments;
- and partially shield a product or company from adverse publicity.¹

According to Venture Beat, your brand is on trial in the court of public opinion. There are 2.1 million negative mentions about brands online in the United States every day.

(Venture Beat Brand Survey, 2015)

Building and Leveraging Your Brand

Like the Metro Cars company, you may already have a good reputation in your industry, but that doesn't necessarily mean you have a strong brand image or one that is relevant to potential new customers. Another common problem is one we like to call "multiple brand personalities." We see many companies that have completely different materials for sales, HR, public relations, etc. Certainly, messages should be tailored to different audiences, but a consistent overall image, with a coherent look and feel, should be carried throughout the company. Just because the director of HR likes the font Garamond and the color purple doesn't mean recruiting materials should look like they come from a different company!

Of course, before you convey a strong image, you need to know what that image is. Start by determining your company's or product's unique points of differentiation. Ask yourself:

- Does our brand clearly communicate the highest value we deliver?
- What has our company worked hard to build over the years or invested in? (These are the things that are often mentioned by customers over time.)



- How is our company perceived by others—loyal customers, potential customers, the competition? How well does our target audience know and understand our brand?
- How will buying our products benefit a customer personally, contribute to their lifestyle, or help their business? In what benefits are customers most interested?
- What does our company stand for (values)?
- What do we offer that no one else can?
- What do customers complain about? (As Microsoft's Bill Gates has said, "Your most unhappy customers are your greatest source of learning.")

Once you've identified the attributes that differentiate your brand and bring added value to your customers, you can develop your brand message. Keep in mind, a professional agency can be an objective third party in assessing your brand's current image, strengths and weaknesses, and help you craft a compelling story.

As Fortune magazine says, "In the 21st century, branding ultimately will be the only unique differentiator between companies. Brand equity is a key asset." (Source: *Sell the Brand First*)

Now that you've created a strong brand message, it's time to let the world know. But first, let's do another exercise: Lay out all your company's collateral materials on a large conference room table—ads, brochures, stationery, annual reports, website pages, business cards, etc. What do these materials say to you—solid and reliable, or just outdated? Modern and techy, or cold and unapproachable? Do your materials all look like they come from the same company?

Having a strong brand identity means that all materials and customer touch-points are consistent—from your website to your sales materials. Your brand image should be instantly recognizable to your target audience and communicated well within your organization. Remember, your employees are ambassadors of your company. They tell the brand story: from the person who answers the phone to your sales force. In other words, everyone should be on the same page. We often recommend creating a branding guide to standardize everything from logo usage to email signatures. It may be tempting to use up existing collateral materials simply because your shelves are filled with boxes of old stationery or brochures, but no amount of "savings" is worth the price of defeating your brand.



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What About B2B Branding?

Sure, B2B brands might not be as well-known and exciting as Amazon or Starbucks, and they definitely don't get as much press, but research shows they are often more valuable than consumer brands. Some analysts estimate that B2B brands may be worth well over \$100 billion.² After all, the stakes are significantly higher when you buy a new software system or invest in two million components for your new vehicle launch than when you purchase a bottle of ketchup!



B2B companies with brands that are perceived as strong generate a higher EBIT margin than others. In 2012, strong brands outperformed weak brands by 20%. (Source: Why B-to-B Branding Matters More Than You Think)

Yet, a study by McKinsey and Company found that **most B2B communications campaigns do not focus their brand's message on the elements about which customers care the most.** While companies tend to focus on corporate social responsibility, sustainability, and global reach, their customers care most about honesty, responsibility across the supply chain, and level of specialized expertise.

Selling to the trade differs from selling to consumers in that buyers are professionally trained to buy, business tends to be repetitious or regular, and motives are typically production/result driven vs. emotional. Therefore, **a strong brand image needs to focus on what is important to your particular customers.**

As with consumer brands, once the brand message is developed it needs to be consistently delivered across all products and media. Employees must be educated and customers need to receive the message at every touchpoint. Think of it this way: You are building trust—customers will always know what to expect from your business and feel comfortable enough to recommend your company to others. As Dan Stiff, author of *Sell the Brand First*, wisely comments, "Everyone has a brand story. The question is, who is telling it? You or the competition?"



¹*Brand Strategy: A Constant in a World of Change*, by Jerry W. Thomas, Decision Analyst, 2013.

²*Why B-to-B Branding Matters More Than You Think*, by McKinsey and Company, Forbes, 2013.

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Venture Beat *Brand Survey*, April 23, 2015.