



# Marketing Communications

The Power of Common Sense

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## **“Enterprises Alter Branding Strategy for Today's Marketplace”**

by Mel Rainer

### *Immersed in technology*

Most of us have become so comfortable in an information-based society that we take for granted the many sources now available: newspaper, radio, broadcast and cable TV and on-line/Internet. At the same time, this plethora of news sources is generating a major change in the process by which major companies manage their image and communicate with the outside world.

Back in the “gee whiz” days when John Glenn was making his initial space flight and men had not yet walked on the moon, most companies were defined publicly simply by their accomplishments. Knowledge was growing leisurely and this turned announcements of new research breakthroughs and products into instant news.

### *Big companies well-branded*

Even if these developments didn't have an immediate impact on the average business or family, everyone certainly took note. Besides, the field of players was much smaller and when they said something, everyone remembered it. It's not surprising, therefore, that the leading corporations of that era, from Coke to IBM, were well-branded.

Generally, they confined corporate communications efforts to announcements of new products: including computers not requiring entire buildings, and adhesives that could hold hundreds of pounds with a single drop. RCA “was” to color television what Kraft Foods was to “cheese.”

### *New branding e-economy*

Fast-forwarding four decades to the present, there's an entirely new playing field. Who doesn't face daily bombardments of multiple cable and broadcast news programs, Internet news sites, and e-mail updates? These not only cover a dizzying array of daily technological advances and product announcements, but now ballyhoo how they will affect the long-term financial prospects for their creator.

### *Changing mindshare*

What a seismic shift. This information is now vitally important to the public because so many are invested either directly in the stock market or through ubiquitous 401k plans. Therefore, except for the most momentous announcements, even the largest of the fast-growing numbers of public companies cannot expect to garner as much press or mind share as they did previously.

Thus, the new bottom line in branding has emerged. With the advent of such mass public participation in the equity markets plus the competition to recruit top personnel in today's full employment, bullish economy, many of the best known corporate names are having to dramatically alter their communications or branding energies.

But how, in today's fast paced, information driven marketplace? Virtually all public companies are quickly adopting many of the historical tools of choice once reserved for mass consumer products such as cosmetics, breakfast food and clothing. Increasingly, they are both staffing up internal communications departments and turning to outside agencies that have incorporated these financial and "image" building sensitivities into their once "nuts and bolts only" corporate PR account teams.

### *Brand management*

Now, telling about the company's latest marvel of development is not enough: put it in context. What's its effect on targeted customers' businesses or lives? How will this new product affect their short/long-term financial performance?

Branding has become part of a total process of carefully managing and nurturing a company's overall image. Today, it's called "brand management," because every press release, product introduction and public utterance by senior management contributes to the outside world's knowledge of, and vibes for or against, the organization. In fact, if a company does not actively craft its own public image via a constant and well-organized communications program, the outlook is fuzzy. Most likely, the marketplace will define the company on its own and this may or may not be to the firm's liking or benefit. Underscoring the importance this function now carries, in many organizations the senior communications official now reports directly to the company's CEO and participates in virtually all company performance reviews.

### *Power and value*

One has only to look at current efforts of such previously low-profile powerhouses as Cisco Systems, Hewlett-Packard and Texas Instruments, whose main customers are in the B2B arena, to see how important brand management has become. While some firms have only recently awakened and recognized the power and value of communications within the marketplace, mounting evidence shows that the trend will continue to win over more true believers.