

Branding

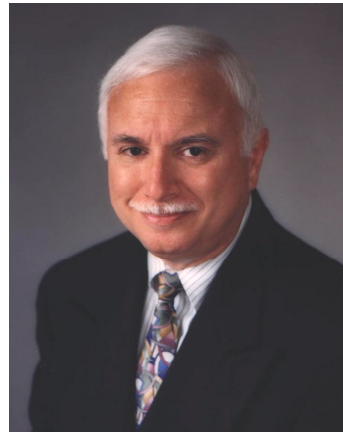
Why Companies Overlook The Most Important Asset They Have To Sell

Accidental Brands

Look inside the cubicles of the most successful consumer products companies and you'll find ads, logos, packaging design and business articles about the newest trends in branding. Look inside the cubicles of the "also-rans" and you'll find highlights from Dilbert.

Branding is routinely linked with names such as Coca-Cola, McDonald's, Kellogg's, Gillette or Nike. These are indeed among America's most highly valued brands. It's easy to associate their promotions, logos, packaging and especially their advertising with companies what are marketing driven and brand savvy. For consumer goods, the brand is more important than the product.

It is noteworthy that even B2B leaders such as IBM, Intel, Hewlett-Packard, and WW Grainger also rank among the most valuable brands. And it's a lesson all enterprises should take to heart.



Clearly there are many differences in branding techniques required from firm to firm. But the most important difference is this: well-known brands are almost always managed; the others typically leave branding to chance. It's ironic that brilliant minds bring incredibly complex products and services to market only to risk the outcome through accidental branding.

Branding = Consideration = The Holy Grail

Sit down with senior managers from some organizations and ask what they want most from their company's marketing programs: to "improve their batting average" or to "get up to bat more often." You'll almost always get the same answer. They firmly believe that if they could just get CONSIDERED by more prospects more often, the natural superiority of their offering will yield significantly more sales.

Thus, strategic brand-building programs are at the opposite end of the spectrum of what tactically-driven companies believe they need most – heavy targeted advertising. Ask those same managers why they do public relations, advertising and promotions, and they are likely to cite the traditional 3-step process for getting companies "up to bat more often." These steps are AWARENESS (knowing you exist), then RECOGNITION (perceived as being good, bad or otherwise), followed by the most valued step of all, CONSIDERATION. Little do they understand that a brand of perceived value will usually be CONSIDERED FIRST - even in the absence of tactical activities.

"Branding helps to lower the cost and accelerate the process of sales and marketing."

If consideration is the Holy Grail of sales and marketing, branding is the Indiana Jones script that can get you there. The primary value of branding is that a positive brand name helps to lower the cost and to accelerate the process of sales and marketing. That alone should be reason enough for every company to adopt branding strategies. But there are four additional reasons that are also compelling:

Successful brands escort you into new markets and new geographic regions. They act as a credibility factor that lowers the barriers to entry. A good, strong brand is a temporary defense against a competitor's superior, new product or service. It can prevent the loss of customers and buy you the time you need to formulate a competitive response. It also helps to guide you through difficult economic times (such as the "Asian flu" of late '97 and '98). Strong brands command premium prices and allow for higher margins. Generic or weak brands almost always have to compete on price. Likewise, strong brands lead to higher stock prices, they are business magnets. They make it much easier to attract new employees, new investors and shareholders.

Once again - managers who are not properly building a strong brand are ignoring the most powerful attribute they have to sell. It will take time to get a complete program into place, but when you look at all the time and money companies spend, adding a branding initiative to the tactical promotional program is quite probably the best new investment your company can make.

Mel Rainer, formerly Corporate Marketing Manager for a \$1 billion high technology company, is a marketing & communications consultant (adpro@adpro1.com)