

## CORPORATE BRANDING

### *Making the brand the strategic 'driver' for the entire organization*

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The concept of “brand” and the practice of “branding” have become two of the most bandied – and misunderstood – terms in today’s business lexicon.

Not by me, you say? Think about it. Here are two short quizzes to get you started.

1. Which is **not** known as a corporate brand?

- a. Sony
- b. Coca Cola
- c. Proctor & Gamble
- d. IBM

2. Is a brand...

- a. ...a logo?
- b. ...a jingle?
- c. ...a tagline?
- d. ...a product?
- e. ...a positioning?
- f. ...none of the above?

The answer to the first question is Proctor and Gamble. Yes, it is an influential name in corporate America. It is a leading *brander*, in fact, the “father” of the classic brand management movement. Its stable of offerings include some of the best-known consumer products from beauty care to diapers. But the *P&G* name has not generally been considered a brand in and of itself. Its detergents, for example, are known as Tide, Cheer and Era – not P&G Detergent. Sony, Coca Cola and IBM, on the other

hand, have inextricably linked their corporate names with such quality products as televisions and consumer electronics, beverages, and computers and computing.

If you answered “f,” or “none of the above,” to the second question, you were absolutely right. A logo, jingle, tagline, product or positioning are all representations of the brand, or means to communicate what the brand stands for. But they are not *the* brand. And organizations that decide to re-brand themselves and consider the job done when the new logo and tagline are complete and incorporated into the advertising campaign are missing the boat.

So, what is a brand, anyway?

### **Conventional versus emerging views on Brand**

A brand is all of the promises and perceptions that an organization wants its customers to feel about its product and service offerings.

This definition has remained static for years. What is changing is how companies go about the business of brand-building.

The majority of business leaders look to practices of packaged goods companies like P&G as the model of brand-building. They are generally product-focused. Responsibility usually resides with marketing managers who pull advertising, consumer and sales promotion levers to convince customers their product is best. Key to this view are brand awareness and product distribution. The idea is that if you tell your customers often enough and loud enough about your product attributes, they’ll believe it – and if it’s available on store shelves, they’ll buy. Customers’ needs under this model are assumed to be relatively homogeneous and static. The occasional product extension or attribute is added to keep your product on top of the heap.

But here’s what the most forward-thinking companies are beginning to realize: First, brand is just as much of an asset as an organization’s people, equipment or capital. Second, nurturing that asset requires just as much care, attention and investment over time as any other asset – if its value is expected to prove out and grow over time. (We at Prophet call it Brand Asset Management, or BAM? .) Third, the brand should be the cornerstone of a holistic, organization-wide business strategy given the number of obvious and less-obvious touch points – from the call center to the human resources department – at which your brand is represented to customers. This makes

branding a strategic imperative that goes far beyond only marketing activities. And finally, the Brand-Customer Relationship is the face of the business strategy.

### **Corporate versus product branding**

Such emerging notions have created an increasing interest in the idea of corporate branding. In some respects, corporate branding stands to become just as misunderstood a term as “branding” by itself.

At its most basic, corporate branding is a composite of all the experiences, encounters and perceptions a customer has with a company. It implies that all internal and external communications are aimed at presenting a single, unified message. The underlying motivator: to build trust in the company – not in a particular product or service.

Sony might be considered the ultimate corporate endorser with its name firmly attached to everything from its DVD to the Play Station. Another strong corporate brand is Marriott, with its Marriott Conference Centers, Marriott Vacation Club, Courtyard by Marriott and numerous other properties linked to the Marriott name.

With product branding, on the other hand, the product or service is synonymous with the brand. It strives to build trust in the brand by allowing the consumer to fit product perceptions and brand image into one. When you think “diapers,” you think Pampers and Luvs – but the average consumer isn’t aware that both are made by P&G.

Both approaches have advantages and disadvantages. Product branding allows the ability to have a wider array of products and services that may have no connection to one another under one umbrella, and less fear of failure. It also allows an organization more opportunity to control shelf space or a place in the consumer’s mind. Take The Gap. It also owns Banana Republic and Old Navy – allowing it to “own the consumer” at different price points and across several styles.

What product branding doesn’t allow are economies of scale, endorsements and instant credibility. This latter point is especially true for new brands, where there’s a need to start from ground zero in educating the consumer about your brand.

As Brad VanAuken, formerly a senior marketing executive at Hallmark, puts it: “The corporate brand is leveraged across more and more products and services. This

implies a movement from having the brand be a function of a division toward having the brand be the driver for the entire organization.”

### **The Brand as a strategic corporate imperative**

VanAuken’s take is absolutely on target, but can be an elusive extension of the corporate branding concept to those immured in the traditional view of branding.

In today’s environment, where consumers are demanding ever-higher levels of service, there are many reasons why the brand should be a lynchpin to a holistic business strategy. It relates back to what we at Prophet call the Brand-Customer Relationship.

It’s through such marketing communications functions as advertising and direct marketing that the public “face” is put on the brand. However, how the underlying promise the brand represents is delivered – through the call center, distribution channels, billing and service departments – is what influences the actual experience customers have with the brand, or the Brand-Customer Relationship.

A holistic approach to branding helps to avoid situations where efforts of merchandising, product design, inventory management and package development are working at cross-purposes to the brand attributes marketing communicates. If the customer’s experience with the brand fails to live up to promises made in promotional messages, he or she is left frustrated and more likely to consider alternatives.

Under the Brand-Customer Relationship model, not only does a compelling *message* have to be delivered to a company’s customers, but a consistent brand *experience* has to be delivered throughout the organization. The end goal is to create a coherent, accessible and satisfying experience for each customer at each contact point – and one that is consistent with the brand experience.

Achieving that end goal requires a far more strategic view of brand across the organization than has generally been the case. And success of such an imperative requires that the direction be set and embraced at the top echelons of the organization.

### **Ameritech’s experience**

Ameritech’s acquisition by SBC in 2000 has created more questions than answers over the future direction of the combined companies’ corporate branding

initiatives. But Ameritech's corporate branding initiatives, begun in 1994 and continuing until its acquisition, show how one corporation approached the challenge.

For the first time, Ameritech cultivated the Ameritech brand across functional lines up and down the organization. It evaluated touch points with customers and took steps to ensure delivery of a consistent brand experience. Its goal: to have customers view the Ameritech brand as representing a company that cared and anticipated their communication needs.

Promotional promises were made through improved advertising and direct mail campaigns. But consistent delivery on those promises from all functional areas made it work. Customers became the central focus of all decision-making, from the call center to service and repair, from the billing department to central office technicians. Call center hold times shrank, repair turnaround dropped to within 24 hours, and simplified billing became an ongoing quest.

And, yes, the senior executives led the charge. Rapid response teams were formed to customer complaints made to division presidents. The teams were expected to resolve a customer complaint within 48 hours and report to the division president the source of the problem and how it was resolved.

Sales soared, straining central offices and municipal lines to capacity. But the challenge ahead is to ensure consistency is maintained in the management of all Ameritech's touch points – and that senior management remains committed to a properly funded brand strategy.

### **Creating a competitive edge with the Brand-Customer model**

At its highest levels, establishing and following a Brand-Customer Relationship model means ensuring consistency of the customer's experience with the brand – whether the touch point is through a retail establishment, a catalog, or an Internet site. It's essential that the customer experiences just one brand.

This requires the organization to take an outside-in approach, looking at how a customer interacts or is likely to interact with the company, taking into account the customers' wants and needs that the company can fulfill.

This helps identify a coherent brand experience that is meaningful to the customer. The brand identity becomes the organization's cornerstone, the rallying cry pushing all to work toward a common purpose. The brand identity captures the set of associations the company wants to create and maintain. It is customer-focused as well as differentiated from competitors and achievable, given the organization's capabilities or the capabilities it can feasibly adopt.

Also essential is identification of the company's customer value proposition – what makes the brand special and sets it apart from competitors' offerings, so that customers are willing to pay for the benefits they receive.

Next, the organization must perform a thorough analysis of how each functional area touches the customer, either directly, as in the call center, or indirectly, as in the finance or legal areas. This includes an analysis of the actual product or service delivered and how it is packaged.

It's not just about good business practices — whether the product or service was delivered on time, within the specified price, whether the help desk was indeed helpful, or whether the billing department resolved a customer dispute efficiently and to the customer's satisfaction. Importantly, it considers how well each of these functional areas delivers against what the brand is supposed to stand for in the customer's mind.

In other words, if the brand is all about simplicity, a complex voice-activated response system for customer service is off-brand. If a brand is about elegance and fashion, consideration should be given to how the package shows up when it arrives at its final destination. Thinking in this way can help an organization determine where to prioritize its investment to ensure that its brand is delivering on the most important touch points.

The company considers where improvements are needed to deliver the consistent brand experience. Training and infrastructure changes enable the company to indoctrinate all employees into delivering the total, consistent brand experience – internally and externally. It's a process involving far more than marketing communications. Essential are employee training and the development of internal metrics, which capture how well the company is delivering on the brand experience in each of these functional areas.

The final consideration is the active solicitation and maintenance of a dialogue with customers to ensure the brand evolves and anticipates customers' needs. The Internet has provided a powerful medium for soliciting this feedback. The infrastructure needs to be built so that the company receives feedback in an actionable form.

Undertaken correctly, the brand-customer relationship model helps create a powerful, coherent brand on which customers can rely on and which the company can leverage to its competitive advantage. Done incorrectly, the result is a disjointed and confusing, or even negative experience that works against promotional efforts.

### **Conclusion**

A corporate branding strategy involves more than just leveraging the all-encompassing corporate name and what it stands for across a multitude of products and services. It requires a mindset and an attitude toward the brand that should be represented from the inside out. At its heart, it provides a decision-making framework for all department activities, ensuring a consistent brand experience across the organization and thus providing a distinct competitive edge in the marketplace.

Scott Davis is Managing Partner of the Chicago office of Prophet, a strategic professional services firm specializing in brand leadership and brand-driven growth. Scott has more than 15 years of experience in brand management arenas; before joining Prophet, he was Senior Partner at Kuczmariski & Associates, where he founded the firm's Brand Asset Management practice. Scott is the author of *Brand Asset Management: Driving Profitable Growth Through Your Brands* (Jossey-Bass).