

DIRECTORS' BRIEFING



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Creating a brand

● Having a brand can differentiate your business from your competitors and drive customer loyalty. And branding isn't just for multi-nationals with huge budgets: small and medium firms can create an effective brand by examining how the business works, what it means to its customers and acting on the results.

This briefing covers:

- ◆ What makes a brand.
- ◆ The business benefits of creating a brand.
- ◆ How to create and maintain a brand.

① What is a brand?

Brands can be defined in two ways. Firstly, a brand can be an identification or a mark that differentiates one business from another (through a name or a logo, for example). Secondly, a brand symbolises how people think about your business. Building a brand helps customers in their decision-making, creating a perceived knowledge of what they are going to buy — before they buy it.

Brands are based on three related criteria.

A Confidence in a business, product or service doing exactly what the customer already believes it will do.

For example, a 24-hour convenience store brand can be based on customers' confidence that it will be open, whatever the time of day or night.

B The emotional response of the customer to purchasing a product or service.

For example, a clothing retailer can create a brand based around making its customers feel good about what they wear, how they

look, how good they feel about buying clothes from that shop and what it says about them to their peers.

A brand builds a unique personality for a business, and therefore attracts a defined type of customer.

C Most importantly, branding is based on **consistently** rewarding the confidence and delivering the expected emotional response.

For example, a domestic cleaning company can build its brand successfully if customers' homes are always thoroughly cleaned, the owners believe that they are using the best cleaning company and feel good about returning to their newly cleaned homes.

Your brand can cover your business as a whole or separate products and services.

FURTHER HELP

There are other Directors' Briefing titles that can help you. These briefings are referred to in the text by name and by the code given to each briefing. For example, the marketing briefings have the codes MA 1, MA 2, etc.

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2 Do I need a brand?

Every business has already got a brand, even if it doesn't treat it as one. Your customers (and potential customers) already have a perception of what your business means to them. Building a brand just means communicating your message to them more effectively so they immediately associate your business with their requirements.

Brands can help increase turnover by encouraging customer loyalty and are particularly useful if:

- A** You are in a **fast-moving** sector.
 - ◆ If your business's environment changes rapidly, a brand provides reassurance to customers and encourages their loyalty.
- B** You are in a **crowded** marketplace.
 - ◆ A brand can help you stand out.For example, there are many kinds of adhesive tape, but there is only one Sellotape.
- C** You have no other **points of difference**.
 - ◆ When customers are confronted with a wide choice of comparable suppliers, they will always choose the one they feel will suit them best. Your suitability for a customer is portrayed through your brand.
- D** You want to **add value** to your business.
 - ◆ Successful brands can make businesses more attractive to potential buyers or franchisees.

Budgeting for a brand

A brand can cost as much or as little as you like. If you keep it simple, it can be confined to the cost of the time you spend creating it and getting your staff to work with it.

These are the things you could budget for:

- ◆ *Your time and the cost of your staff's time.*
- ◆ *Reworking your company's stationery, signage and packaging.*
- ◆ *Design and printing of sales-support material.*
- ◆ *Advertising and PR.*
- ◆ *A branding agency to create and manage the brand for you.*

You can go as far as you like down the list: even if you go no further than the first point and bring stationery and sales support material into line with your branding as you replenish them, you should feel some benefit over time.

3 First steps

Before you develop your brand identity, you have to assess your business, how it operates and the messages that you want to — and are able to — deliver consistently to your customers.

You must be realistic right from the start.

There are five key areas to consider.

A Work out your business, product or service's **core competencies**.

- ◆ These are what you achieve for your customer, not necessarily what you do. For example, a good wine shop's core competence is selling wine that its customers enjoy — not just selling wine.

B Assess who your existing and potential customers are and find out **what they like** and what they don't.

- ◆ For example, if they are driven by competitive pricing, there is little point in you presenting yourself as a premium-price supplier of the same products offered by your competitors.

C Find out how your customers and your employees **feel** about your business.

- ◆ Reliable? Caring? Cheap? Expensive? Luxurious? No-frills?
- Later in the process, these emotional responses (brand values) will form the basis of your brand message.

D Define how favourably your business is viewed by customers and potential customers — this is your **perceived quality**.

- ◆ Do they trust your business, product or service? Do they know exactly what it does for them? What do they think of when your brand is mentioned to them?
- ◆ Low perceived quality will restrict or damage your business. High perceived quality gives you a platform to grow.

E Consider how far you **can develop** your business with its current customer perception without moving away from your core competencies.

The amount you can change your offer is your brand stretch.

- ◆ For example, a shop known for selling fresh sandwiches could also consider selling homemade cakes and biscuits without going outside its core competencies.

But selling frozen ready meals too may stretch its brand too far.

"The brand values you apply to the company must be true, representing your company and its employees. For example, don't position your business as ethical if it's not something you believe in passionately. You'll get found out."

*Stephen Cheliotis,
The Brand Council*

"Your brand identity needs impact. A corporate logo should communicate your brand's personality and values to customers and should mark you out from your competitors. Ensure your brand imagery is consistently applied and make sure all of your printed materials feature a strong brand presence."

*John Blyth,
Kall Kwik UK*

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4 Pulling the elements together

Once you have assessed your core competencies and your current brand positioning, start to define your brand identity.

- A** Decide who you want to **lead** the process.
 - ◆ It may be you, or someone inside your business who will 'champion' the brand.
 - ◆ Specialist branding agencies can also run the process for you, although you will probably need a substantial budget.
- B** **Discuss** your core competencies and brand values with employees and customers.
 - ◆ Remember — what you think about your business is not necessarily what your customers or employees think.
 - ◆ Your brand must reflect what your customers and employees think about your business to have any credibility.
- C** Note your agreed core competencies and brand values, making sure that none of them **conflicts** with your brand stature.
 - ◆ For example, if you agree with employees that your business means 'high quality' and your research on your brand stature says that your customers associate you with 'cheap and cheerful', your branding is already damaged.

Concentrate only on the areas that overlap — these will form the basis of your brand.

Names and taglines

You don't have to create clever names to have a brand — you can use your own name, for example. But what you call your business, product or service is important. Make sure:

- ◆ *The name suits your existing and potential customers' tastes.*
- ◆ *Your customers refer to your business, product or service the same way you do.*
- ◆ *It doesn't clash with your brand values or core competences. For example, if you make bespoke jewellery, don't call it Next Day Jewellery.*

Some brands have taglines — a subsidiary line used to reinforce the brand message. You don't need to have one but it can help, particularly if the name of your business or product doesn't describe what you do.

If you want to create a tagline, base it on your core competencies. For example: John Smith — unblocking drains fast.

*Brand names, logos and taglines can be legally protected. See **Intellectual property**, LA 5.*

5 Creating the brand

Once you have worked out your core competencies, brand values, perceived quality and brand stretch, you can communicate them to your customers.

- A** Build the message into everything your customer or potential customer **sees and hears** before they have any direct contact with your business.
 - ◆ Make sure your company literature reflects your brand values.
 - ◆ If necessary, redesign your logo and company stationery so it provides an immediate visual link to your brand values. For example, if speed is a brand value, add an indication of movement into your company's designs. (See **Design**, MA 1.)
 - ◆ Reconsider any advertising you may do. Is it in places that reflect your brand values? Does the copy reflect your brand values? (See **Advertising strategy**, MA 9.)
- B** Make sure your staff **understand** the brand values and **believe** in them.
 - ◆ Your staff's attitude and behaviour will influence the success of your brand more than any promotional activity. Remember that if you make strong customer service a brand value, the brand is damaged if one customer feels that whoever they are talking to doesn't care about service.
- C** Review your **systems** and make sure every point of contact that a customer or potential customer has reflects your brand values.
 - ◆ For example, if being friendly is one of your brand values, make sure anyone who answers the telephone or has direct contact with customers is friendly.

6 Managing the brand

A brand will not work instantly — it will develop strength over time as long as your business consistently communicates and delivers your brand values to customers.

- A** Keep all your **staff** involved in your brand and your business.
 - ◆ As your staff will be responsible for delivering the brand, they all need to feel a part of it and believe in it.
 - ◆ Discuss your brand values regularly with your staff so they are clear about them.
 - ◆ Encourage them to offer suggestions to improve your systems so the brand values

"Brands matter to every company because what they capture is distinctive. This is the primary source of your competitive advantage and the ability to create value."

*Peter Fisk,
Chartered Institute of
Marketing*

"Spending half a day on the phone to your customers asking them about your brand values and competitive positioning is probably the cheapest yet most important marketing research you can ever do — so don't start a (re)branding exercise without it."

*Brian Raynor,
Marketing Unlimited*

"The starting point for the creation of a brand must be a decision of where you position yourself in a marketplace against your competitors. This will help clarify which values your brand should communicate."

*Ben Harris,
New Brand Vision*

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can be more easily delivered.

B Monitor your **customers'** response to the brand regularly and continually review how your brand values are communicated to them.

- ◆ Get regular feedback from friendly customers and find out if what your business is doing for them matches the expectation your brand creates.
- ◆ Ask dissatisfied customers or former customers too — you learn useful lessons about your brand through honest criticism.
- ◆ Regularly review your products, services and systems to make sure they efficiently back up your brand message.

For example, if freshness is one of your brand values, are there ways you can deliver the product even more quickly?

C Once the brand is developed within your own business and your existing customers, you can use it to attract **new customers**.

- ◆ Use your core competencies to show the benefits of your business to potential customers. Show what your business can do for them, not just what you do.
- ◆ Make sure every communication with potential customers is also consistent with your brand values. Advertisements and sales literature to potential customers must be visually and emotionally consistent with what you provide to existing customers.

7 Extending the brand

A successful brand can offer opportunities for a business to grow. However, if you are introducing new products or services, you must make sure they are consistent with your existing brand values (see **3E**).

Stretching a brand too far reduces its strength and can damage it.

- A** If you are introducing new products or services, consider carefully if they **fit** with your core competencies and brand values.
- ◆ If they do, brand them in the same way as your existing products and services so they benefit from your existing branding.
 - ◆ If they don't, you should consider branding them separately.
- B** If your new products or services remain within your core competencies but not your brand values, you can consider a **diffusion brand**.
- ◆ A diffusion brand is a different message

with its own identity tied to your existing brand.

For example, an insurance company's core competence is getting things put right after they go wrong. If it introduces a new service that repairs items rather than pays for their replacement, it should be a diffusion brand: the Fixit Service from XYZ Insurance.

- ◆ Remember that any problems with a diffusion brand will also damage your main brand, so treat the diffusion brand with similar care.

C If your new products or services fit neither your core competencies nor your brand values, you must brand them **separately**.

8 Golden rules

Creating and running a brand is not a black art. Once it has been created, following some simple rules should ensure its continued effectiveness.

- A** Always think about what your business **achieves** for your customers and structure your business to achieve it.
- ◆ Be focused on your customers' needs, but never let your customers dictate to you. It is your brand, not your customers'. If you change your brand values just for one customer, you will damage your brand.
- B** Do everything you can to make sure that the brand message is delivered **consistently**.
- ◆ From company letterhead to the way the phone is answered, your customers should always feel that you are providing them with exactly what your brand promises.
- C** Keep your **staff** involved with your brand.
- ◆ More than anything else, your employees will be responsible for making the brand work. Make sure that everyone believes in it and encourage and take notice of any suggestions they may make to improve the delivery of the brand message.
- D** **Meet and exceed** what your brand promises to customers.
- ◆ Failing to deliver a brand promise just once will damage your brand. Delivering your brand promise — and doing it better than your customer expects — will strengthen your brand.

EXPERT CONTRIBUTORS

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