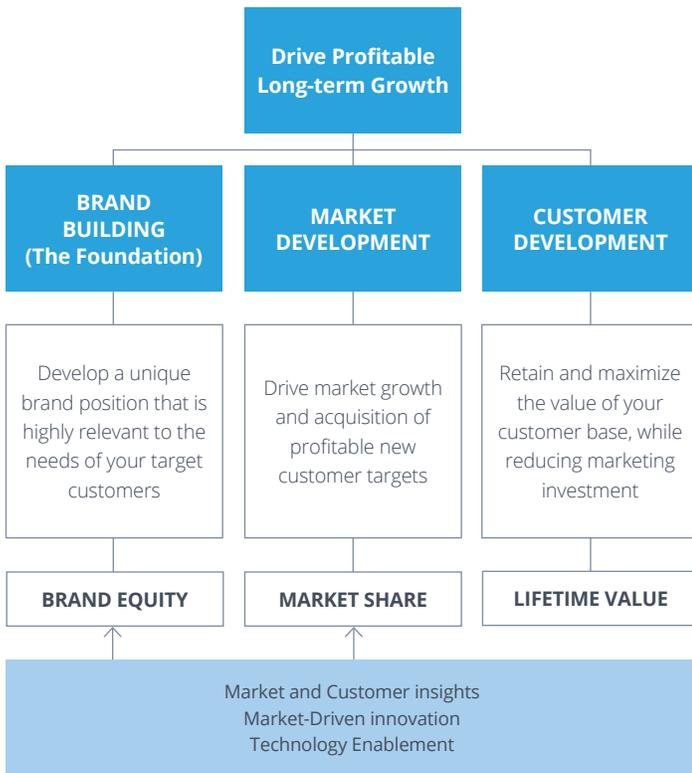


Seven Steps to Revitalize Your Brand

WHITEPAPER

ENGAGE CUSTOMERS ONLINE AND BEYOND

Our annual Special Interest Publishers Survey revealed many key insights about publishers’ pain points, needs and strategic priorities. While the findings were unique to magazine publishing, they were consistent with recent studies conducted with C-level executives in other industries, such as the retail trade, consumer packaged goods, insurance/financial/ education/healthcare services and associations/not-for-profit. They all center on a singular strategic imperative: to drive profitable long-term growth.



Three Pillars of Marketing

At the end of the day, the ability to successfully carry out this mission is largely dependent on an organization’s performance in three critical areas referred to here as the “Three Pillars of Marketing”:

- **Brand Development** – driving profitable growth through a brand positioning that is unique from market alternatives and relevant to customer needs;
- **Market Development** – driving new innovations and acquisition of profitable new customer targets to grow market share and expand into new markets; and
- **Customer Development** – retaining and maximizing the value of existing customers while reducing marketing investment and costs to serve them.

Developing differentiated brand positioning is the first step. This is the foundation that drives everything that happens in the remaining two pillars. Without it, organizations face commoditization, and it becomes exceedingly challenging to win new customers except when competing on price.

Unfortunately, when growth stalls branding is often overlooked in favor of short-term tactics, such as price-cutting or promotions designed to boost sales. But the real issues – lack of differentiation and relevance as customers’ needs change – often fail to be acknowledged and appropriately addressed.

One reason busy executives tend to overlook branding as a strategic business tool is that the concept of branding is misunderstood. They think of a brand simply as a logo, tagline or ad campaign. They fail to understand its deeper meaning and that branding is a multistep journey: the one tool in their tool chest that can have the greatest impact on growing the long-term profitability and asset value of their business.

So, if the time has come to revitalize your brand and you need to get your CEO and executive team all on the same page, here is a seven-step brand development framework that can help you make your case for this important investment and mobilize your company’s efforts to improve the long-term health of your business.



Seven Steps Overview



#1 – MAKE THE CASE FOR CHANGE

The first step is to make your case for change and secure commitment by your CEO and executive team. If you are the head of marketing, you should take the lead role for this important step although information gathering and creation of the actual business case can be delegated tasks. Your primary goal is to prepare a compelling business case that illuminates the needs and financial benefits. This should also communicate the scope and impact on corporate resources, as well as the downside of not pursuing this important investment. It can be difficult to get busy executives to step back from the morass of daily challenges that face them and look at the future of their business with a critical eye. But at the end of the day, companies must pursue both short-term and long-term strategies to survive and ensure long-term profitable growth.

Timing is everything. Critical moments when your CEO, CFO and other members of your corporate executive team will likely be most receptive to investing in rebranding initiatives include: stalled growth (covered earlier); changes in leadership; an outdated brand image that is no longer consistent with your company's new direct; recent or pending acquisitions/mergers; new product or service introductions; new market or channel expansion; and when companies are preparing to go public, spin off or be sold.

#2 – VISION AND LEADERSHIP

The next step is vision and leadership. Your CEO's vision for where he/she wants to lead the company during the next 2-5 years should be the catalyst for change. Clearly articulating that vision is critical, so it is easily understood and embraced by your employees. And your employees must be empowered to deliver compelling customer experiences that are consistent with the brand promise that you will be making to your customers. This is especially important for B2B companies because brands are built from within the organization first ... from the shop floor to the executive suite.

But the roadblocks in creating and sharing an inspiring vision that rallies the troops are many. Resistance to change can be even greater. You will want to carefully plan your communication strategy to overcome these obstacles, and establish understanding/buy-in at all levels of your organization. And your CEO must be highly visible throughout your rebranding journey.

A Harvard Business School research team recently conducted a study of the top B2B global brands and found that they shared the following common characteristics:

- The CEO is a highly visible brand cheerleader and storyteller;
- The CEO understands the benefits of building a great brand;
- The organization's efforts are focused on building a single, global corporate brand rather than individual product brands;
- The payback on marketing investment is rigorously measured; and
- Company websites are seamlessly integrated to present a consistent fact to stakeholders and to control the look and feel, tone and manner of their brands.

#3 – ANALYZE THE GAP

Next, you'll want to analyze the gap that exists between your strategic vision and how your company is currently perceived. Your marketing team can take the lead role for this activity, but external expertise from your marketing services agency or a branding consultant can provide an objective market perspective to help avoid the pitfalls created by internal sacred cows and silo thinking. This is a critical step because perceptions are reality. So, you'll want to conduct a brand audit to better understand:

| BRAND AUDIT | | |
|--------------------------|-----------------------------|------------------------|
| <i>Customer analysis</i> | <i>Competitive analysis</i> | <i>Self-analysis</i> |
| Motivation | Messaging | Existing brand image |
| Usage | Positioning | Brand heritage |
| Unmet needs | Strengths | Strengths/capabilities |
| Decision priorities | Strategies | Organizational values |
| Brand associations | Vulnerabilities | |

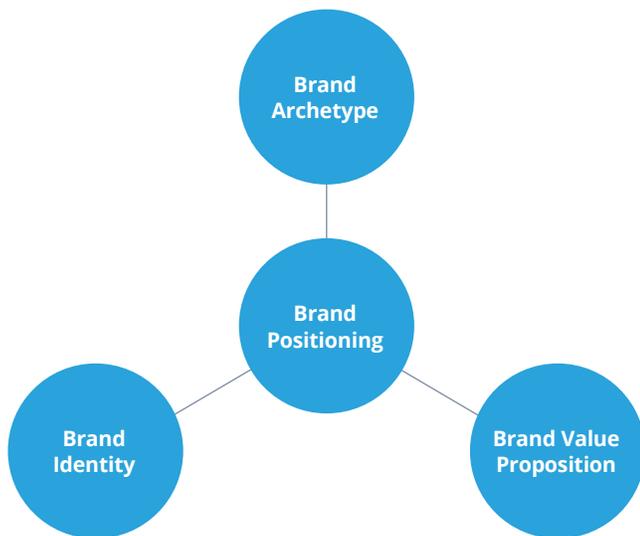
- Your customers' perceptions – What are the emotional and functional drivers that motivate your customers to choose your brand? In what situations is your brand the best alternative? When are other brands preferred over yours? What are your customers' needs and decision priorities? Which brand associations are most important to your customers?
- Your competitors' messaging – How do they position their brands? What are your competitors' strengths and vulnerabilities? What opportunities exist to differentiate your brand and increase market relevance?
- Internal perceptions – What are your employees perceptions about your company's brand image, strengths and capabilities, and organizational values. What things do they like best/least about working for your company? How do these views differ by your company's administrative staff vs. its production employees?



Much of this discovery process can occur anecdotally through customer feedback to sales and other sources. But, more formalized marketing research may also be needed to better understand the voice of your customer. And this investment can pay huge dividends down the road for your business in additional areas that extend well beyond your branding initiative.

#4 – POSITION YOUR BRAND

Now you are ready to develop or refine your brand positioning. Again, your marketing team can take the lead role for this important activity, but you may also want to consider using a marketing services agency or branding consultant who has deep experience in brand positioning development. Here is where all of the insights learned during the brand audit are synthesized and used to define your brand. Your brand positioning is driven by three main components, including your brand identity, brand archetype and value proposition. Let’s briefly look at each of these building blocks.



Positioning Your Brand

Brand Identity: Brand identity includes the unique set of brand associations that represent what your brand stands for. Think of it as the DNA of your brand. Your brand identity is typically somewhat aspirational because it is based more so on your brand vision than on the present state of your brand. The dimensions of your brand identity can include the attributes of your products and services, your organization’s core values, your brand personality, your brand heritage and other brand associations.

Of these attributes, your brand values are arguably most important. But, using them purely as a marketing communications tactic has low resonance with customers today. The key is to bring your brand values to life organizationally by inculcating them into your company’s culture. They must, in fact, guide your organization’s day-to-day actions, and they must be infused consistently throughout all customer touchpoints. These moments of truth speak volumes by signifying what your brand stands for and why it is different from other alternatives. Your brand values should represent the cornerstone of your internal branding strategy.

But getting there is not easy. It takes leadership, focus and continual reinforcement. For an organization’s culture to truly be fueled by its values, its employees must believe in them and embrace them as a “way of life.” A new client recently summed up the importance of a company’s values as follows:

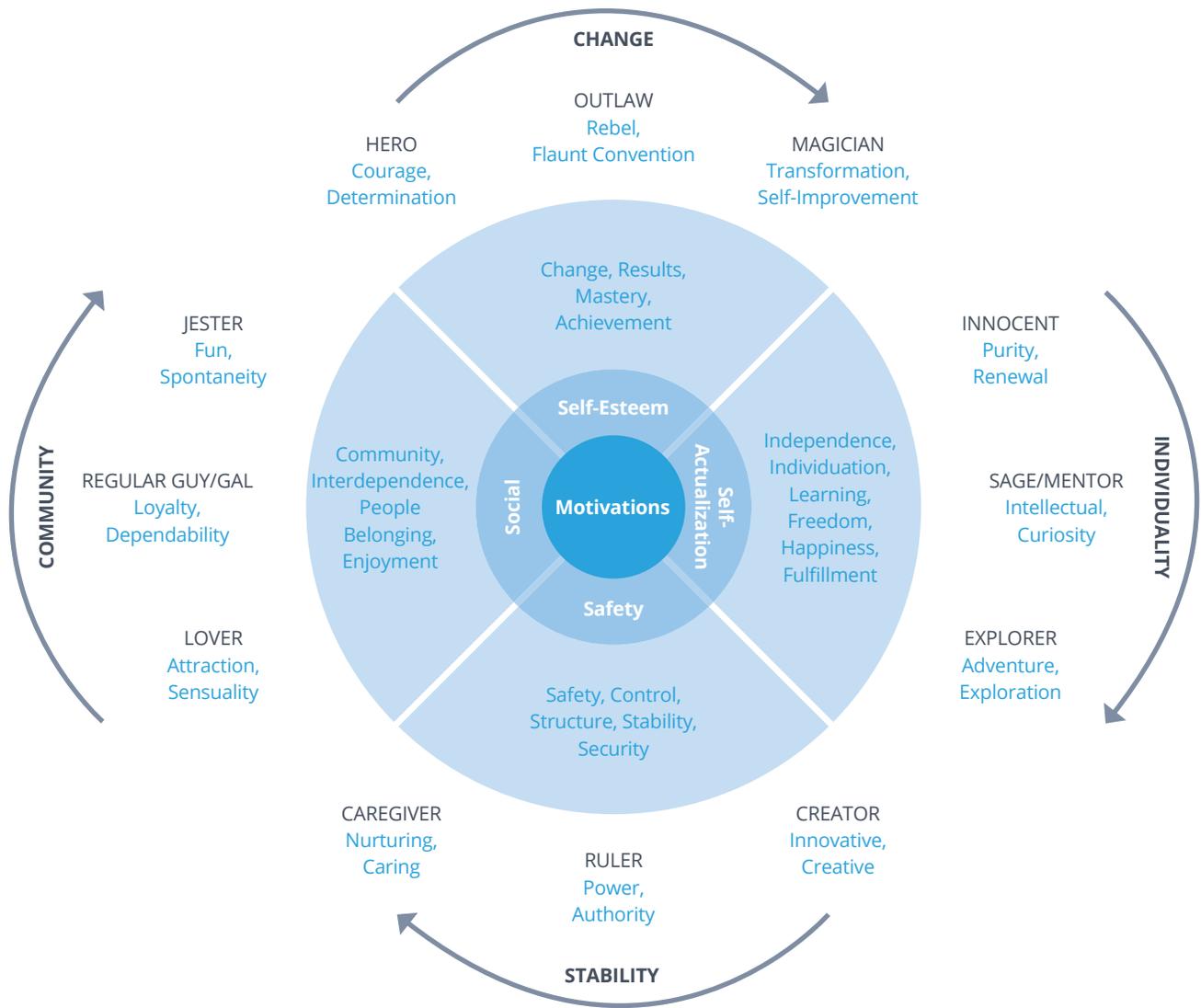
Over thirty-five years as an analyst for five Wall Street firms, I’ve met hundreds of companies. Dozens of them claim a “unique corporate culture,” say they stand for quality, are customer centric ... well, you’ve heard it all before ... and so have I ... so many times that I almost take it for granted that it just ain’t so. The fact is that most companies think that they are unique, but they’re really pretty much alike.

But when some of these platitudes turn out to be true, when it does seem that everybody in a company is singing from the same songbook, when you can see mutual respect among employees at all levels and even the physical facilities reflect a kind of corporate self-respect – rather than an overblown sense of self-importance – and you can guess how such things go together ... and it all seems to work ... well ... it’s very refreshing, almost a tonic.

Predominant Brand Archetype: At the heart of every great brand is a compelling story built around an emotive character or personality, whether it is a chocolate bar, a magazine, a retail store or a foundry that provides component parts for OEMs. While it is important to have a good product or service and a competitive price, it is this story that provides sustainable differentiation.

In their book, *The Hero and the Outlaw*, Margaret Mark and Carol S. Pearson identify 12 brand archetypes that are hardwired in our brains at the collective conscious level. Research has proven that brands closely aligned to only one of these 12 brand archetypes has a significantly higher market valuation than those that are less focused. Leading archetype examples, to mention a few, include: the hero (Nike and FedEx); the outlaw (Apple and Harley-Davidson); the magician (DuPont and Lucent Technologies); the caregiver (GE, Nordstrom, and Marriott); the ruler (IBM and Microsoft); and the creator (Martha Stewart and Kinko’s).





Predominant Brand Archetype

Brand Value Proposition: Your brand's value proposition is a statement of the functional and emotional benefits that provide value to your customers and drive purchase decisions. It is very important to support your value proposition with actual case studies, objective third-party endorsements and other forms of substantiation. Proof of concept is critical.

Brand Positioning Statement: Bringing these building blocks together culminates in the development of your brand positioning statement. This is a highly disciplined endeavor that forces you to make strategic decisions by carefully selecting your primary brand archetype and those specific elements of your brand identity and value proposition that are

most relevant and differentiating to your target audience. Your brand positioning statement should also embody your primary target audience as well as your key points of superiority and parity. Remember, if you try to make your brand positioning too broad, it will stand for nothing so you need to be highly selective and focused.

#5 - CREATE THE MAGIC

It takes both the left and right sides of the brain to build a leading brand. So, this is the step where the creative expression of your brand comes into play. Whether you use your own in-house creative staff or outsource to a creative services agency, it will be important to involve the creative team early and frequently throughout the process. Unfortunately, a chasm



often exists between strategy and creative execution. Silo or throw-it-over-the-wall thinking is counterproductive. Branding needs to be a highly collaborative and seamless process. And for best results, concept testing is advised. You don't have to boil the ocean with a lot of research, but it is important to get "live feedback" on your preliminary concepts from your target audience to gauge customer relevance and resonance, and make refinements as needed before you launch your new brand revitalization strategy.

#6 – BUILD WITH FLAWLESS EXECUTION

Building your brand with flawless execution is where the tread on your new tires meets the pavement. To do this, you need to develop a plan for communicating and executing your brand message internally and externally. The real challenge in getting your message heard externally is winning the battle for the attention of your audience. That's because you're competing with thousands of messages that bombard your customers every day. So, before you can compete for your customers' budgets, you must first compete for their attention – something that is much more precious, scarce and fiercely defended. To win this battle, your communications must provide a compelling reason that answers an important question that we all ask ourselves thousands of times daily: "What's in it for me?" This is no easy task in today's distracted and overcrowded world.

Uncover the deeper meaning that is hidden at the core of your brand, so you can unleash those powerful emotive drivers that cannot be easily duplicated by your competitors.

You have about 6-12 seconds to convince your audience that your message will be useful to them. This phenomenon is called the six-second factor. To do this you must master four elements of your message: Your title (Does it stop your busy target reader dead in his/her tracks?); your subtitle (Does it promise something of interest to you audience?); the design of your email or direct mail piece (Is it feature laden and includes lengthy copy or is it a quick read?); and your landing page (Does it cut to the chase by delivering a resonating value proposition that is easy to understand and memorable?). Each of these elements must work together synergistically to break through the noise clutter.

Additionally, the dynamics of brand development have changed dramatically today due to the emerging complex ecosystem of new digital platforms, networks, devices and communication modes. This profoundly impacts the way people connect, engage, influence and are influenced. So, it is also important to augment your traditional areas of marketing competency with new skills in the following areas:

Customer Experience Strategy: Expertise in defining the intended customer experience and aligning it with your core values and brand promise to be embodied in your revitalized brand positioning.

Customer Experience Design: Expertise in the use of experience design tools, such as personas and journey mapping, and voice of the customer data to bring the intended customer experience to life.

Customer Experience Optimization: Subject matter experts who understand the unique nuances and advantages of each channel that can help you optimize the customer experience and increase brand engagement across all customer touchpoints.

#7 – MEASURE YOUR SUCCESS

Lastly, you'll want to measure your success. As stated earlier, branding increases the long-term value of your business, but it takes time and you'll want to set checkpoints along the way to measure how you are progressing. You don't have the time and resources to measure everything, so here are four key performance indicators (KPIs) that are arguably among the most important to measure. They include: Premium price; customer franchise (which measures the aggregate value of the purchases from customers who buy from your company repetitively); rate of new product acceptance; and net-advocate score (which measures the percentage of customers who are advocates or promoters of your brand minus the percentage who are detractors).

Define the metrics and KPIs that you plan to measure early in the process and lay the groundwork internally for this to happen. The importance of doing this cannot be stressed enough because it closes the loop by validating that you are on the right track toward accomplishing your longer-term objectives.

To summarize, mastering the best practices outlined in our seven-step brand development framework can help you turn your next brand revitalization initiative into a strategic business tool for improving the long-term profitability and asset value of your company. For many organizations, brand equity is the most valuable asset that appears on the balance sheet. Strategic branding also lays the foundation for increasing the return on your overall marketing dollar investment. Other closely related benefits include: category leadership; reduced vulnerability to competition; the ability to charge premium prices; and quicker acceptance of new products and services.



What customers are really looking for is to avoid doing business with another Enron. They want to do business with people they trust and they want to buy from a leader. Our seven-step brand development framework can help you uncover the deeper meaning that is hidden at the core of your brand, so you can unleash those powerful emotive drivers that cannot be easily duplicated by your competitors and are instrumental in creating abiding brand loyalty.



See how we can help.



866.958.7823



qgraphics@qg.com

www.QG.com

