

GETTING THE BEST FROM THIS BOOK

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CHAPTER ONE

This is not a textbook on brand strategy or brand management, although it touches on these subjects. *Brand Enigma* takes as its theme the bigger role of brands in promoting organisational success. More specifically, it proposes an approach that can help to turn a brand into a business asset by making explicit the deeper, often hidden or forgotten drivers of success. Examples are taken mainly, but not exclusively, from the world of business.

Whether you are a small business, a school, a political party, a multinational, a municipal authority, an orchestra, a sports club or an entrepreneurial start-up, you have a brand. Your brand may be a global colossus. It may be niche. Or local and invisible to all but a handful of contacts. The brand may have been subject to detailed attention and lavish investment. It may have been neglected. Your brand may once have been great, but now in the doldrums. Your organisation may even be in denial that your brand plays any significant part in shaping your fortunes. Wherever you are on this spectrum, you can be certain that whether you like it or not, you have been branded – by everyone who knows you. They all have their own idea of what you stand for, which may be cause for delight or dismay, depending on their views.

Customers, suppliers, partners, employees or members of the community that deal with you all take away their ideas of what your organisation is about. Whether your brand is internationally recognised or local, well defined or confused and fuzzy, you will have made an impact, for better or worse, on all these groups. Like it or not, your brand is out there in the marketplace.

If your brand is strong, then it will have the virtues of commanding loyalty, inspiring referrals and working for you after hours when people meet, exchange views and experiences either face-to-face or, as is increasingly the case, over the Internet. If weak, your brand will be forgettable, eclipsed by discussion of your competitors. Your name may not even rate a mention in those offline discussions. Unless, of course, you are cursed with a pariah brand that is trashed at every opportunity by disaffected customers and contacts. Just as the Internet can amplify the good news, so gripe-and-grizzle websites have elevated one-to-one moans into global airings of dissatisfaction.

Most brand managers will not be surprised at any of this. But there are companies that have been slow to wake up to the reality of brand power. Not so long ago Ford sniffily maintained that it did not do brands. A *Business Week* article reported that Ford in 1999 had claimed: 'We aren't a consumer-goods company, and we don't have a

brand.¹ Of course the carmaker does, as others are all too well aware.

Ford's narrow definition did not prevent the auto company being rated the eighth most valuable brand in a 2001 global league table alongside other major non-consumer businesses including AT&T, GE, Nokia and Microsoft. The Ford misconception also belies the fact that brands have evolved to play a much wider role in the life of organisations over the generations. Brands may have come into their own as a consumer-goods phenomenon, but more and more of today's organisations, regardless of their sector or activity, recognise that they are a business asset for building value, creating loyalty, inspiring innovation and driving business growth.

League tables that rank brand worth also underline the point that there is serious money involved here. Rankings are a reminder of the contribution brands make to the intangible value of every business. Brands are part of the new wealth of companies – not just those operating in the consumer marketplace, but every kind of traded business. In the third millennium, the drivers of success are intellectual capital, knowledge, relationships, capabilities and all the other non-physical dimensions of the enterprise – including brands.

¹'The Best Global Brands', *Business Week*, pp. 44–55, 6 August 2001.



There is no denying Ford's brand value

It does not matter whether you sell subscriptions or soap, cars or computers, financial services or fridges, you can pin a dollar value on your organisation's brand over and above any plant, inventory or bricks and mortar assets. That is not all.

Brands play an equally important intangible role in the operational effectiveness of organisations. They may not have the buzz of a Gucci, Coca-Cola or Tommy Hilfiger, but any organisation's brand has the potential to raise performance to a new level when it is well defined and communicated effectively to the workforce and customers. Right from the start, the spirit of the brand can be crucial to sparking the energy and dynamism of an enterprise.

Brand redefined

By now it should be clear that the way in which the word brand is used in this book transcends the narrow sense of a logo, trademark or visible symbol of a company's identity. It has everything to do with the genius of the enterprise.

A brand, in our lexicon, is the sum total of everything that makes a product, service or organisation distinctive. A brand is the product of three components: its legacy and enduring traditions; its characteristic behaviour and culture; and the dream that sustains its continuing development.

Your brand is what you are all about, what makes your organisation competitive and gives it an edge – as well as where a considerable part of the business's value lies. It should be possible to summarise its essence in a handful of words. If you cannot pass the 15-word brand statement test, then you are going to struggle to get people to get what you are about, argues Tom Peters.

Even more important than being able to sum up the brand is the internalisation of what those words stand for. The brand dream needs to be real enough to everyone at every level of the organisation to inspire big decisions at the top as well as guide day-to-day processes and practices, dealings with customers, other stakeholders and so on. The spirit of the brand should permeate the whole organisation.

At one level, the brand dream acts as the compass for business strategy. It points to the best choices for selecting a new direction, diversification, innovation and all the good things that help an enterprise to expand and grow.

Branding, in this sense, is not something that can be applied cosmetically – a logo here, a new design there – to freshen up poorly performing products. Synthetic brands that are all surface and appearance do not pass the depth test or represent sustainable value. The brand is the product of everything that an organisation represents – its aspirations, history,

expertise, knowledge and skills built up over time. It also reflects the organisation's corporate values and culture. Last, but by no means least, the brand embodies the bigger dream of what the enterprise sets out to achieve.

The secret of maximising the contribution and potential of every brand lies in gaining a deep understanding of its past and living traditions, its behaviour manifested in values and culture, as well as the inspiring dream that gives it forward momentum. Together, these generate the spirit of the brand. Some, or all, of these elements will need realignment over time. But without a reference point, the task of knowing how best to develop your brand's potential is tough or impossible to complete successfully.

Do not worry if you cannot instantly describe your brand in this structured, three-dimensional way. You are not alone. Even if one or more of these brand dimensions are in focus, it is unlikely that they are visible across the whole organisation. Few companies have achieved this degree of detailed insight into their brands, let alone a shared sense of the genius of the brand across all areas of the business. Outside the marketing department, many brands have never been defined and expressed coherently and consistently. Even when they have, it is in no more than general and vague terms. But codify your brand comprehensively, and all kinds of possibilities open up for your enterprise.

- First of all, there is a yardstick for making better-informed choices about new markets, innovation, brand extensions, major product launches and so on.
- Second, the brand can be used to prioritise performance goals that focus people's energy on activities and priorities that are aligned with brand goals.
- Third, your brand is integrated with your corporate culture, beliefs and values, so that the whole organisation knows what it means to live the brand.
- Fourth, marketing's job becomes clearer. Once the brand has been comprehensively described and internalised, brand promotion and development can be predicated on clear principles.
- Fifth, it smoothes the path to the creation of an employer brand with consistent values and objectives that creates a bridge between internal and external customers.

Establishing the genius of the brand is the first step to raising your performance to a higher competitive league. A well-conceived, properly integrated brand represents an asset that should be measurable in terms that make sense to everyone from the finance director to the workforce and shareholders.

How dreams and visions produce hard results

Companies tend to choose their words carefully when they talk in public about the driving force behind their business. Strategy, goals, mission statements and even visions are part

of the acceptable language for describing corporate results in investor relations and annual reports. But many big company successes owe their success to something that is much more powerful and elusive. Behind virtually every great brand there is an inspiring dream.

Many of the most successful businesses got off the ground because the founder dreamed of possibilities that were outrageously ambitious, punch-the-air inspiring, or in contravention of the received wisdom of the time. Business originals like Apple's Steve Jobs, the late Anita Roddick – founder of Body Shop – and Nike's Phil Knight show that passionate belief in what others may consider to be impossible or absurd, coupled with a gift for leadership, can put the nay-sayers in their place. They are members of a dynasty of big dreamers who show that shooting for the stars can pay off. Dreamers are often rule-breakers.

At the dawn of mass motoring in 1907, Henry Ford set his sights on a goal that was typically bold when he announced his plan to:

'... build a motor car for the great multitude. It will be large enough for the family, but small enough for the individual to run and care for ... so low in price that no man making a good salary will be unable to own one.'²

² *The Meaning of Technology*, edited by Montserrat, Ginés Edicions UPC, 2003, p. 60.

Nice idea. But how? No one knew how this could be done at that time. In the teeth of dismissive scepticism, he pioneered the production line and confounded his doubters. Others have also built extraordinary success on the back of their dreams. Back in the 1890s City Bank, a tiny regional bank with only a handful of staff, set itself the audacious target of becoming 'a great national bank'. It might have looked hopelessly optimistic then. Today, in its current incarnation as Citicorp, the bank has wildly overachieved its national aspirations to become one of the world's largest companies.

Or like Dave Packard – co-founder of Hewlett Packard, the electronics to computing company – whose lofty vision was to create a model business that would be a benchmark for breakthrough innovation, world-class products and progressive people practices. 'Our main task,' he said, 'is to design, develop, and manufacture the finest electronic equipment for the advancement of science and the welfare of humanity.'³

But what if you succeed in realising your dream only for others to start to muscle in on the game and overhaul you? Which was exactly what happened to Ford after it opened the way to mass-production car making and General Motors

³Quoted from HP archives in *Built to Last*, James C. Collins & Jerry I. Porras, Century, 1996, p. 207.

picked up the lead. There is no guarantee that every dream, however compelling, will translate into a great business. Even some brands that take off promisingly at first can veer off course.

When dreams lose their magic

Realising and sustaining brand success is hard work, and there are all sorts of reasons why a great dream can lose its inspirational magic or turn into a nightmare.

There are plenty of companies that have taken a wrong turning, never managed to find their way back to a profitable path, and crashed and burned. There are cases where companies have confronted potential disaster but rebounded strongly: Harley Davidson and IBM both had their mid-life crises but rebuilt their businesses and rekindled the flame of success. Their stories can be read from a number of perspectives: business strategy, competitive manoeuvres, market trends, leadership and organisational capability. But their stories are also traceable as the history of their brands.

Take Starbucks, a brand that pioneered the coffee experience through its 'third place' outlets, created as an in-between work and social environment for meeting over a cup of coffee. Yet after 20 years of impressive growth since its launch in 1987, the Starbucks brand started to lose momentum. Despite generating \$12bn from its 15,000 outlets scat-

tered around the globe, Starbucks was no longer the roaring success it had been a few years ago when the talk had been of more than doubling the number of outlets in the near future.

Having moved upstairs a few years ago to become chairman, Howard Schultz returned as CEO to inject new life into what had become an underperforming brand. The coffee store pioneer had seen competitors pile into the marketplace, some of which went head-to-head with the company while others, including McDonald's and Dunkin' Donuts, came in from their own established base with a direct appeal to coffee drinkers. But it was not just competition that started to blunt the coffee chain's advantage. Schultz saw that the brand itself had become lacklustre and had begun to neglect what had made it successful.

'We somehow evolved from a culture of entrepreneurship, creativity and innovation to a culture of, in a way, mediocrity and bureaucracy,' said Schultz. 'We have somehow lost our edge.'

The proliferation of ever-more-exotic flavoured coffees had replaced inspirational innovation, while the once-coffee-rich aroma that had wafted out of its doors was eclipsed by the smell of other foodstuffs. With growth had come the downsides of bloated organisational structure and management overload.



Starbucks found its pioneering position under siege

Its attempts at merchandising other products such as CDs had met with indifferent success. On his return as CEO, Schultz reviewed the traditions that had made Starbucks great as part of his review of the options for the company's revival and future development. The challenge for Starbucks was to rediscover the spirit of its brand, build on the strengths of the past and conjure a new dream for the next phase of growth.

Discover the genius behind your brand

All these examples illustrate the importance of understanding the genius of your brand. What made a brand special in the first place may no longer be relevant after changes in the marketplace have created new conditions for success and ignited different customer demands. Deconstructing and reassembling the core elements of the brand can enable you to discover what needs to be updated, revised or reinvigorated. The process may also reveal an untapped opportunity, throw light on the reasons why things went wrong, or show how to rekindle the spirit of the brand. Even companies that think they know their brands well are surprised at the way in which that very familiarity can blind them to important factors and issues. Just as critical, using the spirit of the brand as the touchstone for decisions about diversification could steer you away from poor choices, such as diversification into product lines that add no value or dissipate energy and resources.

The act of retracing the brand story and reliving its ups and downs can reveal forgotten clues that explain what helped the brand to soar or falter in the marketplace. Key events may not necessarily have occurred at the birth of the company, but later in its history. 3M only discovered a profitable direction after a near-disastrous start in mining gave way to the launch of a range of abrasives. Whatever the inspirational driving force for success, it will have generated traditions and values that connect the past with the present. Bringing the story up to date means looking at the current behaviour of the brand – not just its manifestation in marketing terms, but in the way it influences the behaviour of the company, how it is seen by those who work in the organisation and how it is regarded in the marketplace. The process needs to be honest and rigorous, flushing out the negative as well as the positive attributes of the brand.

Determination to uncover the folklore and the facts should be part of your agenda. The manner in which you set about decoding your brand is just as important. What you will find in the following chapters is a radically different, fresh approach that may appear unorthodox, but is rooted in ideas that have stood the test of time and are now being validated by leading-edge research in psychology, perception and cognition.

The brand dream process and the accompanying brand dream model are a pragmatic response to the frustrations

that companies experience in relating brand development to corporate strategy and the bigger picture. It enables people to search for answers through their intuition and look for inspiration and insights that come from their experience and personal knowledge. It is an approach that redresses the balance and is complementary with, not a substitute for, analysis and discussion.

It is also a process that should help companies to rebalance their thinking. The development of specialist marketing and brand functions can be part of the problem. When companies concentrate responsibility in these departments, the result can be a siloed organisation where new product development and other sections of the business become detached from brand building and maintenance. The shared responsibility for the brand is lost.

It is easy to see how the straight line between an inspirational dream and strategy becomes broken over time. Whether it is because the founding entrepreneur is no longer at the helm, or the dream has been rendered obsolete because the mountain has already been climbed, or smarter competitors have stolen the initiative, the challenge is to revitalise or renew the dream so that the organisation can be re-energised for a new phase of growth.

Built to Last authors Collins and Porras dug into the stories behind enduring brands and came up with a dramatic

finding. It is only when a visionary capability is embedded in the organisation that businesses are able to constantly renew the goal that drives them forward. It is rarely good enough to have one vision, however compelling, in the history of a business. You need to be a serial dreamer to sustain success. Great dreams fulfilled become yesterday's stories. Or they are marginalised by others' bigger, better dreams. Even then, visions of possibilities are no more than that unless they are translated into strategies and plans that generate hard results.

That has to be a given, but the ability to implement is by no means all there is to it. Dreams need to be authentic. It has been fashionable to chide companies for lacking a clear vision for directing their business. Which might have been good news for consultants all too happy to help visionless companies fashion chic statements that looked and sounded like the real thing, but were all surface and no substance. Having a vision statement does not mean that you have passed the test, unless the words stand for something real and meaningful. It needs to be visible in the culture of the company and integrated everywhere from plans and goals to people's behaviour and values. Going into megaphone mode with italics and exclamation mark, Collins and Porras want people to know that the piece of paper is not enough.

*'Just because a company has a "vision statement" (or something like it) in no way guarantees that it will become a visionary company!'*⁴

What passes the drop test for them is the organisation that 'creates a total environment that envelops employees, bombarding them with a set of signals so consistent and mutually reinforcing that it's virtually impossible to misunderstand the company's ideology and ambitions.'⁵

Saturating the company with an understanding of what the brand is about, its objectives and aspirations is one way of achieving that goal. The remainder of *Brand Enigma* is dedicated to showing how taking a step sideways can enable you to see your brand in a new light and develop its potential for the whole business.

- Chapter One
Getting the best from this book

If you have got this far, then you should know that this present chapter sets the scene for the book and describes the territory that is covered, the terms of reference and the definition of brand that is used throughout the following chapters.

⁴ *Built to Last*, James C. Collins & Jerry I. Porras, Century, 1996, p. 201.

⁵ *Ibid*, p. 202.

- Chapter Two
Nightmares and dreams: the new world of brands

This puts brands into the bigger context of business. It looks at the drivers of change and growth and their implications for brands. In addition, it identifies some of the risks and opportunities that companies face as a result of the major trends in globalisation of markets, the continuing rise of the Internet and the shift in power from marketers to consumers. Chapter Two also traces the history of brands and reviews the various roles that they can play from establishing ownership and differentiation in the marketplace through to their role in creating a customer experience and customer loyalty. The chapter concludes with a self-assessment test to highlight brand issues in your organisation.

- Chapter Three
Enduring myths, new challenges and realities

Effective development of brands is only going to take place once companies accept that there is some housekeeping to be done before moving on to the exciting stuff.

- Myth One: Brands are just about differentiation in the marketplace.
- Myth Two: What you see is all you get.
- Myth Three: Brands only concern the marketing department.

- Myth Four: Customers are the only brand consumers that count.
- Myth Five: External research will tell you all you need to know about your brand.
- Myth Six: You can bury the bad news.
- Myth Seven: With the internationalisation of markets, it is easy for brands to act globally.

Next, the chapter outlines four challenges that are key to understanding the changing role of brands.

- Challenge One: Do you confuse new product development and innovation with brand extension?
- Challenge Two: Do you think that you are the real owner of your brand?
- Challenge Three: Is your brand development two paces behind the competition?
- Challenge Four: Do you still believe you have a unique selling point?

This leads on to a discussion of some of the cardinal rules for developing brands.

- Rule One: Brands are too important to be left to the brand manager.
- Rule Two: Brands need to be reviewed and renewed.
- Rule Three: The leader is the brand.

- Rule Four: Brand reputation may not be easily quantifiable, but it is a major asset.
 - Rule Five: A brand should be one of the most important drivers of performance at every level of the business.
 - Rule Six: Get in touch with the spirit of the brand to discover its transformational power.
- Chapter Four
How the brand dream process took shape

This explains how the process for decoding the secrets of brands was developed and refined. Outlining the brand issues is one thing. Finding a way for companies to move from understanding the challenges to coming up with creative solutions involved following a different path. What they needed was a way of generating actionable insights – standard conventional methods of brand development were generating uninspiring and flat results for people. Convinced that the answers had to lie in methods and techniques based on radically different approaches, our search for a better way led to explorations of both new and old thinking. The resulting brand dream process is based on a range of ideas drawn from psychology, Eastern, Native American traditions and the arts. The common denominator underlying all phases of the process is that they are experiential in nature. They involve people at an intuitive level and lead to a shared consensus

of what are the most important features of the brand. Six principles underpin the brand dream process.

- Principle One: If you stay on the surface you will never understand what lies underneath.
 - Principle Two: Location, location, location – never underestimate the magical power of place to energise or demotivate the creative process.
 - Principle Three: Use all your faculties, not just your intellect, to see things in new ways.
 - Principle Four: Conventional methods produce conventional results. Trust your intuition to lead you where you need to go.
 - Principle Five: If you are not enjoying yourself and thinking intuitively, then you are not going to be creative.
 - Principle Six: Once you change the way you feel about the whole brand experience, you can change the way the brand behaves.
- Chapter Five
Fitting the pieces together: the brand dream model

The brand dream model is deceptively simple. It is built around three aspects of the brand: its living traditions; the way the brand behaves; and the dream, the sustaining vision of the enterprise. Another way of seeing the three circles

of the model is in temporal terms: traditions (past); behaviour (present); and the dream (future). The symbolism of the model shows that the genius of the brand is the summation of its three component parts. The few words that end up in each circle may look sparse but they are heavy with meaning and significance for those who fashioned them. These terse statements represent the end point of a process that involves the kinds of experiential activities described in more detail in the preceding chapter. Both the process and the model are totally interdependent. And the way that the model is constructed is as important as the resulting model itself.

- Chapter Six
Taking the brand dream medicine

Sponsors who between them have been responsible for six brand dream projects talk about their experience, why they decided to follow this programme and what it generated in terms of outputs and results. They also talk about the issues for them personally in adopting what one called a 'high-risk, high-return' approach. The individual accounts trace the different goals and circumstances for these organisations. Overwhelmingly, the project sponsors found that they achieved results that would have been impossible using other means. Other important bonuses included the development of a consensus around the brand's values and key attributes.

- Chapter Seven
Deconstructing brands: a new way of sussing out the competition

While the primary purpose of the brand dream process and model is to give you a new way of seeing your own brand and developing its potential, the model can also be applied to deconstruct other brands. In the same way that it can be used to unearth clues about the strengths and weaknesses of your own brand, it can be applied as a diagnostic tool to understand other organisations. This can be useful whether the need is simply to gain a better understanding of competitors or to size up a prospective partner or acquisition target. So although the real power of the brand dream model comes from applying it from the inside of an organisation, using the framework to think your way into the brand of a competitor in a structured way can yield some surprising insights. To illustrate its use in this way, we have generated brand dream models for a range of organisations, not just businesses but charities and state-run corporations: BBC, Google, Marks & Spencer, Nike, Oxfam, Ryanair, Virgin.

- Chapter Eight
Engaging staff in the employer brand

The process is not only concerned with the outward-facing aspect of your brand. Enabling the workforce to get in touch with the spirit of the brand can help to re-energise the

enterprise and bring a renewed sense of drive and purpose to everything it does. In the era when no chairman's report is complete without the claim that 'People are our greatest asset', the need to build engagement, commitment and loyalty inside the organisation has become a universal priority. Companies that work hard at making their employer brand as strong as their customer brand have a real advantage over those who merely trot out the people-asset mantra.

Business leaders who are natural enthusiasts understand instinctively how to convey the spirit of the brand as much through their actions as in what they say. The challenge for organisations that have moved beyond the days when the founder was in charge is how to sustain that brand advocacy and energy in-house. With success comes growth, staff turnover, multiple locations, larger-scale operations and mixed messages. Keeping people focused on the dream is no longer so simple. The brand dream process offers companies a practical way of developing a shared experience of the spirit of the brand.

- Chapter Nine
A web of threats and opportunities

The Internet has massive implications for brands. Along with the ever-growing importance as a sales channel, the web has changed the rules of engagement with an inexorable shift in power from companies to customers. No longer is it possible

for companies to dictate the communications agenda. The democratisation of the web has resulted in radical changes in the way in which consumers gather information about brands and can also influence the way in which they are perceived. But there are also opportunities for brand building, if companies are ready to play by the rules.

- Chapter Ten
An inspirational approach to innovation

Companies are obsessed with innovation, but few have found the secret of developing the processes and practices that deliver bottom-line results. Many companies are stuck with mechanistic and unproductive innovation methods. But using similar experiential techniques and approaches to those that underpin the brand dream process, companies can create conditions that stimulate serendipity, inspired hunches, even sheer brilliance.

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