

HIGHPOINT ASSOCIATES: INSIGHTS

# HOW CAN BRAND STRATEGY TURN YOUR BRAND INTO A RELIGION?

**BENNETT E. MCCLELLAN WITH BENJAMIN BIDLACK**

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## OVERVIEW

The business world is cluttered with branding advice. Books abound on branding. You can read about brand building, brand bashing, brand gaps, brand invention, brand re-invention, brand management, brand positioning, brand rescue, brand secrets, brand sense, personal branding, and brand relevance. In fact, reading a book a day on branding would not get you through all of the brand-related titles listed on Amazon.com in a year.

Clearly, selling branding advice is big business. Wherever there is clutter, there is opportunity. World spending on advertising in 2012 was approximately \$557B according to Nielsen's Global Advise Pulse report. According to the well-known advertiser's dilemma, executives know that about 50% of their advertising communicates messages that actually matter to target audiences. The rest is just wasted. So why invest in a brand at all, especially in tough economic times when Boards are more focused on costs and short-term returns?

*InSights* put this question to Ben Bidlack, HighPoint Associates' senior advisor for branding. Ben has worked for the better part of two decades providing brand guidance to both B2B and B2C companies. He says the branding principles hold true in either world. Most recently, Bidlack was Chief Strategy Officer at FutureBrand in Southeast Asia. Prior to that, he was Executive Director of Strategy at Interbrand, the world's largest brand consultancy. Ben received his MBA from Stanford University. Former employers include Accenture, Towers Perrin and Booz Allen Hamilton.

Ben Bidlack's approach to investing in brand strategy is robustly simple. Effective brands engage their internal and external audiences, transforming them into ardent fans. If brand religion is the goal, Bidlack's approach to brand building is anything but mystical. He starts with a hard, nakedly honest assessment of a company's actual position in the world. He extends the assessment outward to the full set of competitive brands and offerings, and inward into the mindset and needs of prospects. The challenge is to develop the one, possibly two, emotionally compelling and overarching brand strategies that account for insights in all three areas: company capabilities/culture, competition and customers. And finally, he helps the company express that single brand idea, and deliver on that promise, through every pore of the organization.

## BUSINESS STRATEGY IS THE JET; BRAND STRATEGY IS THE FUEL

Bidlack's foundational view of branding is that, "Branding strategy brings business strategy to life in a way that

- 1) Celebrates what's special about the company and offering,
- 2) DE-positions competitors, and
- 3) Resonates with customers and prospects. Simultaneously."

When branding efforts serve other agendas, they generally waste company resources. Also, trying to be a "something for everyone" generally means becoming a religion for none.

Bidlack comments, "Every company, every organization, has a brand whether they manage it or not. The only choice companies have about brand management is how proactively they manage their brands for short-term relevance and long-term financial value."

For Bidlack, "Brand strategy is not merely a name, a logo, or a customer experience. Nor is brand strategy a substitute for business strategy." Instead, brand strategy extends from business strategy, bringing it to life for internal and external audiences. Effective brand strategies become, in Bidlack's words, "The central, powerful, unifying platforms around which all brand activities revolve." Expressed brand strategy is based on customer-observable, competitively sustainable differentiation.

He emphasizes that effective brand strategies activate a host of other benefits. For example, he says, "Once you land on an idea that addresses all the criteria for effective brand strategy, it makes the preponderance of business decisions much simpler. It helps you decide what new products you should offer, to whom you should offer them, how you should answer the phone, who you should hire, and who you should partner with. It makes a huge variety of strategic and operational decisions surprisingly easy."

Beyond simplifying decision making, Bidlack believes that having a company's brand strategy clearly aligned with business strategy also helps to:

- Unify and inspire staff
- Attract top talent that fits with the organization
- Facilitate creative decisions, whether executed by inside or outside agents
- Focus efficiency efforts in terms of design, value added and processes
- Develop systems to reinforce all of the above- Bidlack asserts, "Identifying the right branding strategy makes your whole organization more efficient and more inspired."
- Increase awareness, consideration, trial and loyalty
- Enhance differentiation and competitive position
- Attract and retain top-tier talent and partners
- Ease entry into new category and markets
- Command price premiums
- Enhance customer/market "forgiveness" for mistakes
- Enhance investor and industry perceptions
- Build significant financial value for the firm (i.e., M&A, IPO's, liquidity events)

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*More efficient and more inspired? That sounds pretty good. How can a CEO get some of that religion?*

## ASSESS YOUR SITUATION

Bidlack asserts that branding strategy begins with a clear understanding of external reality. He says, "Consumers are taking hold of brands. So the amount you can control is shrinking relative to the entire pie."

He insists that shrinking control is all the more reason to invest and actively manage brands, even when a smaller piece of the pie is the only thing available. He elaborates, "It may seem counterintuitive, but in the world where brands are losing control, you have to ramp up your efforts. You have to reconceptualize what brand control is about. Control is about clarity and delivery."

Bidlack asserts that brands can be built, but they cannot be invented from thin air or weak offerings. A company's first step toward building an effective brand strategy is to develop deep understanding and uncluttered insights into the relationships among three sets of variables: customers, competitors and the company's internal culture and competencies. Bidlack refers to these variables as "the buckets."

He explains, "With respect to **customers and prospects**, a company needs to know how their current customers - and

their soon-to-be-customers - behave. How do they think? How do they shop? How do they buy? Do they shop online and then buy from another place? Do they showroom you - which is going into your store, looking at something, and then buying on Amazon to save money? What are the hard truths about what is going on out there in terms of how people purchase in your industry/sector?

The way customers interact with your business is the first bucket. The second bucket concerns the way competitors interact with your customers.

Bidlack says, "**Competitors** are a deeper bucket than most people realize. Competitors are not just those companies that look like you. Competitors are those products and activities where your customers - and prospective customers - spend their time and money."

He elaborates, "For example, if you are a museum, you might say, 'Oh, there are these three other museums.' That's too narrow. Because the people who go to museums, and those who might go, can also go to the movies. Alternatively, they might sit on their couches, take a boat ride, shop the mall, take a bike ride, or go online to the Getty. You have to get a proper idea of all the choices your customers and prospective customers have regarding whether or not they buy from you."

The third bucket has to do with your company's perception of itself with respect to culture and capabilities.

Bidlack says, "The third bucket is what most people mistakenly focus on, which is **the company's vision**. When people think about branding, they typically reflect their own aspirations, their own culture, their own company. And they say, 'Our company stands for customer service.' But the question is whether anybody other than you cares about customer service. It might be that your customers just want you to carry products they need at a good price in a convenient location."

He continues, "Unless you are clearly in touch with what your customers value about you, you delude yourself by thinking, 'We're going to push our vision to the world.' Customers have their own visions of what they want companies to do for them. They may not care about your vision. That comes as a surprise to many companies."

*Let's say you have done the three-bucket analysis. What then?*

Bidlack responds, "To be successful, your brand strategy must simultaneously address all of your insights in whatever brand territory you are going to occupy. The insights you get from analysis all have to be accounted for. The brand territory you could occupy may or may not be the territory you have now."

## CLAIM AND FORTIFY YOUR BRAND TERRITORY

Once you identify insights about your customers, your competitors, and your view of what you do, the search for common threads begins. The creative, hard-thinking part of brand strategy comes during this second stage. Collecting insights gives you the raw material needed to find a unifying theme. You still need to find what Bidlack calls your "brand territory."

Bidlack says, "You get maybe 25 insights from your three buckets. Thinking about those insights starts to point you toward a brand territory. You start asking questions about how the insights add up."

He cites some examples. "Amazon is about low price, ubiquitous selection and convenience. That is their brand territory, if you will. Louis Vuitton symbolizes status. Disney is about happiness. These are brand territories that are very well thought out, and then reinforced with new offerings and operations."

Bidlack explains that companies often run into difficulty at this stage when their aspirations do not meet their internal or external realities. He says, "People get enamored with a certain idea. But if you look at all three buckets, some ideas just do not fit. You have to address all three sets of insights at the same time."

He suggests approaching the task of finding the umbrella by asking what the insights mean collectively. He says, "For example, taking all of the data into account, are you about price? Are you about luxury? Are you about service? Are you about offering something different? Do you represent the biggest selection?"

*What about companies that feel they do multiple things well? What if a company discovers it has more than one umbrella?*

Bidlack responds, "You can have secondary messages. But those messages have to fit underneath the main brand idea, which is usually an emotional, almost spiritual, attachment customers feel to what you offer."

Bidlack says, "*Branding is the religion-development business.*"

He continues, "I call Apple Computer a religion. Harley-Davidson is a religion. You have people lining up to buy whatever it is those companies have to sell. That's a religion. IKEA is a religion. Target (stores) is a religion. It does not have to be a fancy brand. It's an emotional or spiritual idea under which you have to deliver great products."

*Is it really possible for a company to find its 'religion' by following this path?*

Bidlack provides reassurance that the search for a brand umbrella generally yields good results. He says, "You start to see that one, possibly two, of those views will emerge in answer to all of the insights."

He continues, "The goal of the assessment is to come to a territory, and by that I mean an idea that satisfies all of those insights. For example, Harley-Davidson makes motorcycles and apparel, but what they stand for is freedom. Red Bull makes energy drinks, but they stand for extreme sports, for 'Finding Your Wings'. Apple stands for the idea that people with passion can change the world. Think Different. That larger idea becomes an umbrella idea under which all the products, all the services, the logo, the tone of voice, the content on your website, the design of your products—fit. It does not have to be new. But it must be consistent."

He concludes, "Your brand positioning must account for all insights from all three buckets, simultaneously. You have to know what differences matter to your customers. You have to de-position competitors' offerings. And your brand position should build on your organization's unique image and capabilities. All at the same time."

*Once you discover your brand territory or idea, then what do you do?*

## EXPRESS YOUR BRAND

The third pillar of Bidlack's brand-building approach is brand expression.

He says, "Once you find that idea, you must then visually, verbally and operationally deliver on that theme." Brand expression involves realizing your central idea in every way possible. The key to brand expression is aligning your company's activities under your brand umbrella.

**Visual expression** covers all aspects of your brand that someone can see. It includes the brand logo, store signage, website design, the look, the feel, the color scheme, and the graphic identity of your brand. Bidlack adds, "Even the signature line on your email must have a consistent visual style." Everything visual has to provide a message consistent with the brand umbrella.

**Verbal expression** is what you say (content) and how you say it (tone), including your ad copy, taglines, website copy, press releases, blogs, tweets, job descriptions, and employee manuals.

### *Employee manuals? Why those?*

Bidlack responds, "Effective brand positioning begins with your employees. If staff don't believe in your message, the public won't either. DNA works from the inside out, not the other way around. Employees must create meaning for themselves around your brand. They must understand how brand strategy affects their day-to-day activities and behaviors. Brand values and behaviors need to be built into jobs, not imposed on top of them."

**Operational delivery** encompasses everything you do that reflects the central idea under which you build your brand. Activating a brand strategy involves the hard work of consistently and persistently pursuing the idea you claim as your brand territory. Realizing a brand strategy involves every employee of the organization. Brand activation generally takes months, and sometimes even years, to complete.

Bidlack emphasizes the need to engage staff in brand activation. He says, "The brand must first be launched - or relaunched - internally to ensure that it is understood and lived by your employees. Most people get that idea with respect to employees who have direct contact with customers, but it also holds for every employee in your organization."

Externally launching or re-launching a brand requires intensive planning and coordination with ongoing business operations. There may be key trade shows, PR efforts or special events to assist with the launch plan. Special care must be taken to ensure that customers understand and don't feel alienated by any changes.

*Sounds like activating your brand around a central theme takes a lot of work.*

Bidlack comments, "It's a lot of work, but it's not complicated. That's the beauty of having a central brand idea."

He continues, "Once you've changed your visual and verbal representation, you have to make sure you are living up to your promise. That's where 90% of the work comes in. The work's not easy. But the decision-making is. Re-visualizing the look and feel of a brand is a three-month thing. But then, how over time do you keep delivering?"

Bidlack gives an example. "If you are BMW and you have a dealership, how do you deliver 'the ultimate driving machine' in your dealership? What does that mean for the next 3-series car? What does that mean for the next BMW watch? What does that mean for how BMW looks and talks about itself on its website? What does that mean for how BMW approaches electric cars?"

He summarizes, "What follows from activating your brand is the management of your ongoing enterprise. You could say that's hard work. Or you could say your job got a lot easier because of the clarity you now have about everything you do."

## **IF IT'S THAT EASY, WHY DON'T ALL COMPANIES HAVE GREAT BRANDS?**

Bidlack addresses the question of why companies resist the simple branding approach he advocates. He classifies the resistance he encounters under four banners: pain, money, effort, and arrogance.

*With respect to pain:*

Bidlack says, "Everyone does competitive review. Everyone does customer research. And many companies engage in self-reflection or self-assessment. Like personal exploration or self-discovery, the findings are often painful. People tune out things they don't want to hear. They dismiss things they've been denying for a while. There's often a corporate denial mentality. Every- one wants to believe 'We're cool. We're not going away.' And yet ships sink every day. It's painful to quit deluding yourself about the things you would like to believe."

*With respect to expertise:*

Bidlack says, "A lot of people think they know what a branding is, including experienced executives, employees and consultants. MBAs might understand business strategy, but they aren't familiar with the human and creative work that makes brands magic. People with advertising or agency experience might understand the creative process, but don't have the business strategy and analytical skills to ground a brand in analytical in- sights. A brand strategy is meant to last 10-15 years, and doing this work correctly takes expertise."

*With respect to money:*

Bidlack says, "This is actually my favorite objection. Let's say a typical branding strategy will cost a few hundred thousand dollars. Some executives object by saying, 'That's too much money!' And I'll agree. I'll say, 'You're right. Don't invest in your brand. It's expensive. It's time consuming. You may learn things you do not want to learn. So save your money. Keep doing whatever you are doing now.' And then, when they stop laughing, I'll say, 'JC Penney. Kodak. Polaroid. Lehman Bros. Pent- house. Detroit.' If you think brand management is expensive, try being irrelevant."

*With respect to effort:*

Bidlack says, "The effort needed to step outside your

routine diverts attention from everyday marketing activities. Companies may try to work through their branding strategy piecemeal. A little customer research to start things off. Some competitor analysis a few months later. A visioning workshop or retreat to decide what they're about. The problem comes because companies don't do all of these activities together using the same team to come up with a clear articulation of who they are, what they offer, and why they matter that addresses all three constituencies simultaneously. When companies approach branding work in an ad hoc manner, they generally miss the connective insights that address customers, competitors, and the company's capabilities together. People just don't do that. It takes too much effort."

*With respect to delusion:*

Bidlack says, "Every team of executives likes to think they can see their own company, their brand, their customers, their competitors clearly. But few executive teams can. I've even rebranded branding firms. They can't see themselves accurately and they know all the tricks! But they know they need an outside perspective to bring clarity. It's hard to accept the idea that we can't see ourselves as well as outsiders can see us. It's the difficulty of seeing yourself, the pain of seeing yourself, and then the cost. Those are the reasons why most people don't invest in proper brand strategy work. Plus, they believe they can do it themselves."

## KEEPING THE FAITH

Many companies have brand challenges. Those in serious trouble need to find their religion or renew their commitment to the fundamentals of their brands. This principle especially applies to companies experiencing any kind of major transition. Transitions can be initiated by external circumstances or by internal circumstances. In a world of constant change, transitions are commonplace. Almost every major company could therefore benefit from periodic brand reviews.

Ben Bidlack is not, however, a fan of chasing new religions. Companies that believe they need to frequently change their brand positioning to "keep things fresh" may well be doing themselves in.

He comments, "Some people believe you need to find an open area, a white space, a blue ocean. I disagree. Yes, sometimes you can find a new area. Sometimes. Maybe Virgin is in its own area. Their area is 'we turn industries upside down, redefine them and make them cool.' But reviewing your brand doesn't mean you have to find a new positioning area."

Bidlack suggests, "Take Toyota and Honda, for example. They are both good brands positioned very close to each other.

They can both say, 'We're about high value, medium cost, highly reliable, reasonably stylish family vehicles.' But they each have their own nuances. What are those and why do they matter? That's what we have to articulate."

He continues with another example. "It's also Hertz and Avis. Avis is taking direct aim at Hertz with the idea of "We try harder." If you are going to go after a territory where there is already somebody else, you have to do it consciously and with some reason of why customers would choose you over those other competitors. You don't have to seek an unoccupied territory. I think that's a false challenge."

In closing, Bidlack reiterates that the needs, actions, and the aspirations of the three key constituencies must be addressed simultaneously in any and all brand positioning efforts. His approach to doing this is simple: analyze, extract, and then express.

Bidlack cautions about marketing efforts based on anything less than a complete understanding of brand strategy. He says, "If your view of what you do does not fit what customers want, you are wasting your voice. Save your breath."

Instead, spend your effort on getting some brand religion. Then say what must be said to help your true believers find their way to your cash registers.

## ARTICLE CONTRIBUTORS

**BENNETT MCCLELLAN** has over 30 years of corporate and consulting experience. Most recently, he was a Managing Director in PricewaterhouseCoopers' Media & Entertainment practice. Bennett has also held management positions with leading entertainment companies, and has worked as a consultant for McKinsey & Company and Arthur D. Little, Inc. He also serves as a freelance journalist, and has had over 100 articles and editorials published. Bennett holds a PhD from Claremont Graduate University, an MBA from Harvard Business School and a BA from University of California-San Diego.

**BENBIDLACK** is a brand strategy leader with over 20 years of experience working with top-tier management consultancies, branding agencies and directly with CEOs and CMOs to create and execute compelling brand strategy. Most recently, Bidlack was Chief Strategy Officer at Future - Brand in Southeast Asia. Prior to FutureBrand, he was Executive Director of Brand Strategy at Interbrand, the world's largest brand consultancy. Bidlack has also held senior positions at Prophet, Accenture and Booz Allen Hamilton. His clients include a top 5 US Bank (CEO/Board-level), the world's largest independent biotech firm (brand/agency optimization), a leading US Sports retailer (brand positioning/relevance), the world's largest sports/fitness education and equipment company, VISA International, Wells Fargo Bank, Sage (world's #3 enterprise software provider), Sony PlayStation, X PRIZE Foundation among others. Ben holds a BA from Haverford College, and an MBA from Stanford University Graduate School of Business.

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