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# MISUNDERSTANDING BRANDING

*Local experts clear up common myths about branding.*

Do branding experts envy plumbers? Plumbers' customers are crystal clear on the objective of the work they perform: an operational system of pipes, drains, sinks, and toilets. But companies who hire branding professionals tend to labor under a number of misconceptions. They may be unable to define exactly what branding is, and they can have some pretty odd notions about it.

Part of this is intrinsic to the branding industry, since there's no hard and fast definition of what branding includes. "When people go into a branding project, they assume that their employees and the people they're working for have a common understanding of what branding is," says Jane Tilka, president of Tilka Design, a communication design firm in Minneapolis. "Starting out, it is really important to understand what you are accomplishing: what the organization that is working with you is delivering and how it is going to be used within the organization. You know, a grasp of 'Why are we doing this?'"

Different consulting groups approach the problem in different ways, she says, and that spawns confusion. So before they begin, branding consultants should set the ground rules for what branding work within the organization will entail. And while they're at it, clear up a few things.

Clients, it turns out, tend to hold a predictable set of spurious beliefs about branding. These common misconceptions can get in the way of clear communication and effective branding work. Here, local branding gurus dispel the misinformation.

## Myth #1:
## A brand is just a logo.

"That's probably the oldest misconception," says Aaron Keller, managing principal at Minneapolis-based public relations firm Capsule. "People think branding is advertising—that it's just the soft side of business. It's not, but it's impacted by all those pieces. Those things might help define the brand, but they are not in and of themselves the brand."

Elin Raymond, president of The Sage Group, Inc., a strategic communications firm in Minneapolis, says clients may not realize branding is an all-encompassing process. They may equate it with their logo, brochures, ads, or product packaging. "They probably don't realize that it is a part of everything that they do: who they are, how they are perceived, and the entire customer, constituent, or stakeholder experience," she says.

Tim Larsen, president and founder of Larsen Design and Interactive, agrees: "A brand is never just a logo but the totality of the experience one has with a product, service, or company." Larsen Design is a strategic communications firm based in Minneapolis.

In short, branding includes every single touchpoint a customer experiences. Yes, it includes the logo, but it also includes customer service, product quality, and the relationship a company forms with its customers. It is the art and science of trying to manage the way a company is perceived.

Raymond says the confusion may stem from clients using the logo as a kind of shorthand for the larger issue. "Some clients may come to us initially asking for a new logo," she says. "I think this is their way of communicating that their brand needs an overhaul. It could well mean that the way they present themselves publicly does not represent who they are."

### Myth #2:
### Branding was trendy for a while, but now it's dead.

"The pendulum constantly swings with branding," says Chris Schermer, director of client strategy and services at marketing agency Schermer Kuehl in Minneapolis. "Ten years ago, it was an emerging hot trend. Five years ago, after the technology bubble burst, it was kind of something that companies didn't want to invest in. Today there are fewer competitors out there, but the pendulum has swung back to where brand is in favor."

Keller says some of the "branding is dead" talk is a result of the term being overused when it first became fashionable. "You'd hire a printer, and they'd be talking about helping you manage your brand," he says. "That's stretching it a little far. But at the same time as those things were happening, academia took up branding [as a discipline]. If academia is doing it, it's not going to go away."

**Elin Raymond, The Sage Group, Inc.**

Companies have always been concerned with the total customer experience—marketing, customer service, operations, distribution channels, pricing strategies, everything. Only now there's a word for the way companies try to manage that experience: Branding.

### Myth #3:
### Once you establish a successful brand, you should leave it alone.

That myth couldn't be more wrong. On the contrary, brand needs to be at the front of a company's consciousness at all times. The initial branding work that a company does with a consultant consists of defining what the company stands for. But at every juncture from then on, the company must be vigilant about the way it projects itself.

> { A company should find a way to make its values relevant to society. It's not about changing who you are as a brand; it's about how you express yourself in the times. }

"For organizations to do branding work, they have to make a series of decisions that say, 'We stand for this,'" Tilka says. "That means that maybe 50 of the company's other activities don't support the brand anymore. Often it can be a heart-wrenching experience organizationally. So when they get to the point where they've ratified what the brand is about, there's a big sigh of relief—'Whew, we're done.' But that's when the real work begins."

There's a lot involved in aligning a company's everyday activities with what its brand is supposed to be. Part of it is training employees to understand and advocate the brand. Part of it, too, is making strategic decisions that are consistent with what the company stands for: high quality, hip designs, flawless customer service, or whatever.

"What they really have to understand at the end of the day is that brand work is dynamic and always has to be worked on," Tilka says. "Within all of those day-to-day, year-to-year activities, you ask yourself, 'Is this activity consistent?'"

If the brand ever stops feeling true and clear, it's probably time to retune it. And sometimes, even if the brand is strong, you'll need to recast it to align it with the Zeitgeist. "Look at Buick," says Kevin DiLorenzo, managing director and senior vice president at Olson, a Minneapolis advertising agency. "They had a great brand, but it just didn't take long for it to become a dated, old-man's brand."

A core brand should not change according to fashion, he says. Instead, the company should find a way to make its values relevant to society. It's not about changing who you are as a brand; it's about how you express yourself in the times.

### Myth #4:
### Only huge consumer-facing companies have to worry about branding.

"That's totally illogical!" exclaims Kerry Sarnoski, principal at Minneapolis-based Fusion Hill, a research and marketing company. "I would say anyone who has a product or service—anyone who wants to be successful or make a profit—needs to worry about their brand."

Shelley McKay, partner at Cricket Marketing & PR in Minneapolis, agrees: "Smaller companies such as shopkeepers or local franchisees still need to make a name for themselves and deliver on their promises."

If anything, Raymond argues, small companies need to be even more focused on the purity of their brand. "I haven't read a study about this, but I would bet the success of a start-up can be linked in part to its branding efforts," she says. "I think a start-up company has to do its homework. It's got to do it's market-segment research and its competitive intelligence. It's got to craft that brand-experience model to ensure that the desired brand pervades everything it does. Only that way is it going to have a real impact."

Firms that serve the business-to-business market need to be focused on brand, too. "Our agency works exclusively with business-to-business companies, and the main difference is that B2B buying decisions are often made by groups rather than individuals," says Schermer. "The products often cost more, too —like computers versus toothpaste. They are less likely to make an emotionally based decision. But make no mistake, groups are still influenced by all the criteria that help build trust. I think it's imperative to have an established and trustworthy brand in that case, because it helps those people minimize the risk of their decision. It helps them feel more comfortable."

**Myth #5:**
**The company owns the brand.**

Well, legally speaking, yes. But in reality, the brand exists in the minds of users, consumers, and stakeholders. Why? Because brand is all about perception. A company can manage a brand, but it can never completely control it.

"Every company and every product has a brand, even if they've never worked on it," explains Sarnoski. "It might not be intentional or even desirable, but it exists in the mind of the consumer. You can try to alter that however you want. Hopefully, if you are really good at managing that experience across all the touchpoints, there will be a lot of consistency between what you want the brand to mean and what it does mean."

It's possible for loyal customers to stage a sort of branding coup, wresting control of the brand and its perception in the world. "You can lose control in a good way," Keller says. "Some have said that Harley-Davidson doesn't really have control of its brand anymore. In most cases, if you get people very engaged and passionate about your brand, with the brands that people are most passionate about and the brands that people talk about a lot, that's what often comes."

But, Larsen notes, there's ownership and then there's ownership. "While a company can't fully own it's brand on an emotional level, it must own it legally," he says. "Securing a trademark for a company's name and identity is fundamental to protecting its brand."

Regardless of who's driving, the company needs to work hard to stay relevant and meet and exceed customers' expectations. Otherwise, the customers will feel that the contract between them and the company has been broken. The brand becomes meaningless, and the customers drift away.

**Myth #6:**
**A brand needs to appeal to everyone.**

Certainly there are some brands that try to be everything to everyone. But it's a hard thing to do. In most cases, a better approach is to do research and find out exactly who your customers are and how you can best sell to them.

"A strong brand differentiates a company from its competitors," Larsen argues. "By definition, this differentiation means you can't be all things to all people."

"Our agency talks about bonfire brands," DiLorenzo says. "Those are brands that people gather around and create community around. People are attracted to the light and the glow and the warmth that they feel when they connect with [the brand]."

In an increasingly global world, he says, people feel disconnected. They want to form tribes and to feel a sense of belonging. A powerful brand can be a catalyst for this type of community.

DiLorenzo uses Jeep as an example: The company offers weekend getaways where the vehicle's fans can learn to drive in off-road environments. These getaways aren't intended for everyone—just the sort of people who seek out Jeeps.

Even in the mass market, companies differentiate themselves. "Wal-Mart and Target have a strong sense of self and who they are as a brand," DiLorenzo says. "You would never mistake the Target experience for the Wal-Mart experience."

**Myth #7:**
**There's no way to see a return on your investment in branding.**

True, branding isn't like direct mail, where you can count the responses you get from a flier you mailed. It has a longer-term, more subtle payback.

Tim Larsen, Larsen Design

"It's an increase in sales over time," McKay says. "Or, if it's a commodity product, then it's an increase in loyalty. Are they choosing your product or service over someone else? Is it new customers or clients? If they are new to you, how did they find out about you? If you are doing it properly, you should notice an uptick."

Measuring the ROI for branding work is still both an art and a science, Schermer says. The key indicator is brand equity—how much value the brand has intrinsically. It can be measured through studies of consumer preference and loyalty. These things don't necessarily translate, in and of themselves, to sales. But there is a strong correlation across the board.

> { "Wal-Mart and Target have a strong sense of self and who they are as a brand. You would never mistake the Target experience for the Wal-Mart experience." }

Measuring brand equity is becoming less problematic over time, Keller says. Some large business publications have started listing the top 100 brands and the asset values of those brands. "It's not on the books inside the company, but it is out there as something that you can measure against," he says. "In time, the formula [for those calculations] will become more widely available, and smaller companies will be able to do it. There's actually talk of the asset value of a brand showing up on the books from an accounting perspective."

Larsen says you may also see the result of brand efforts when a company is sold. "A number of years ago, we were working for a technology company that wanted to sell one of its most successful divisions," he recalls. "The initial offers were far below what the company believed to be the division's real value, so they hired Larsen to re-create the division as a separate brand. One year later, with its own name, identity, and communications support, the same entity selling the same products was sold for twice the price of what was first offered."

Sarnoski sums it up: "The money and the attention that you spend on managing that consumer experience—at the end of the day, that's what delivers your revenue and your market share." **TCB**

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