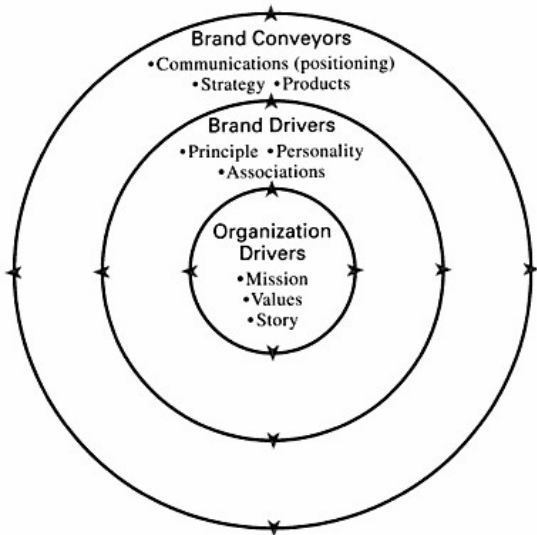F. JOSEPH LEPLA

LYNN M. PARKER

Integrated
Branding

BECOMING
BRAND-DRIVEN
THROUGH
COMPANYWIDE
ACTION

INTEGRATED BRANDING

Integrated Brand Model

The Integrated Brand Model provides an overview of how to become a brand-driven organization. It outlines the three levels of activity—brand conveyors, brand drivers, and organization drivers—that define brands.

INTEGRATED BRANDING

Becoming Brand-Driven
Through Companywide Action

F. Joseph LePla
Lynn M. Parker

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Preface

Many studies confirm the benefits of strong brands: a clear companywide focus, higher margins, deep customer loyalty, and a higher success rate with new product launches. While the tangible benefits of a strong brand are obvious, the problem most companies face is, How do I reveal and build a strong brand, one that is integrated throughout my organization? This book answers that question. In the model of branding covered here, *integrated* means that your brand is built on your company's actual strengths and customers' values, and that you implement brand throughout the organization, through both words *and* deeds. An integrated brand, rather than one that is communications-driven only, will provide long-lasting benefits in the areas of market leadership, company focus, and profitability.

It's useful to build a strong brand, no matter what size a company is. Beginning the process of integrating brand when a company is small gives it an immediate market advantage and can save both money and heartache later on. Using integrated branding can help medium-sized companies build market leadership more effectively and at less cost. Large companies can use the integrated branding process to bring to light the practices that have made them successful, and then manage these practices for even greater effectiveness.

You will also find value from this book even if you already have made progress toward building your brand. Because the brand model described here is holistic, rather than a communications-only model, you will learn how to get every employee living and breathing the brand.

We will also cover how to apply brand concepts in specific situations, including developing brand extensions, branding in publicly held companies and high-technology companies, and avoiding brand dilution.

WHY WE CARE ABOUT INTEGRATED BRANDING

We have based this book on work we have done as marketing consultants for the past decade. During that time, we developed and successfully used brand building tools to reveal, integrate, and extend the brands of scores of companies of all types and sizes. We've worked with high-tech giants trying to find one consistent and compelling brand direction, small start-ups trying to carve out their place in evolving service markets, and midsized companies seeking to leverage their product lines and markets in strategic ways.

We have worked with companies in the Pacific Northwest of the United States and California's Silicon Valley to develop integrated brands using a suite of brand-building tools called *organization* and *brand drivers*. These tools allow companies to become brand-driven by elevating brand management to a conscious level, where it can be quantified and managed. Looking at brand in this way takes it out of the cloistered jurisdiction of the marketing department and places it squarely in the executive suite. In order for a brand to be truly integrated, it must be a both a corporate strategy and an organizational development tool.

Since our primary focus as a consulting company is high technology, this book also covers how to apply integrated branding to high-technology companies and how to use electronic media such as the Internet, intranets, shared content, and chat rooms to strengthen your brand experience.

The brand process articulated here is not a "one size fits all" formula. It is a framework for revealing and managing strong brands and will look very different for each brand—even brands in the same business category. This book is a source of brand information to act as a guideline for a successful process. There are places within the process—particularly in research and in brand development facilitation—where we strongly recommend the use of third parties to create an objective atmosphere and introduce an independent perspective necessary for an effective result.

Before you begin, one last point to keep in mind: Becoming a brand-driven company is serious business, but it should also be a creative, satisfying activity. We would love to hear about the creative ways you discover and implement your company's integrated brand—the principles on which you do business, and the promises you want to set forth

to customers as the cornerstones of a long-lasting relationship. You can email Joe LePla at jlepla@parkerlepla.com and Lynn Parker at lynnp@parkerlepla.com.

HOW THIS BOOK UNFOLDS

This book will give readers a process for revealing, developing, applying, and managing their company and product brands using the integrated branding process.

The book begins in chapter 1 with a brief explanation of why you should take integrated branding seriously, whether your interest is increasing profitability, gaining market leadership, or serving your customers better:

- Chapters 2 through 6 explain the tools used to develop the core of the integrated brand and how an integrated brand differs from other branding methodologies.
- Chapter 7 gives you a step-by-step blueprint for the integrated branding process.
- Chapter 8 walks you through the possible ways to structure your company's brands and the pros and cons of each.
- Chapter 9 talks about using your new integrated branding approach to attain market leadership.
- Chapter 10 is a detailed case study of a medium-sized company that demonstrates the process in action.
- Chapter 11 shows how to integrate the brand into the fabric of your company, and Chapter 12 tells you how to measure the effectiveness of brand through research and through use of a big-picture perspective in your reports.
- Chapters 13 and 14 focus on communicating your brands through marketing and marketing communications—the places where most traditional branding has focused.
- Chapter 15 takes a look into the impact that new technologies such as the Internet have on the integrated brand experience.
- Chapter 16 talks about the important relationship between brand and going public and some pitfalls to avoid during the process.
- Chapter 17 deals with the unique aspects of high-technology branding; Chapter 18 brings integrated branding versus other branding models into focus.
- The Appendix provides a complete set of questions for getting started in determining your integrated brand—company strengths and what customers value.

ACKNOWLEDGMENTS

INTEGRATED BRANDING

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1 Your Company's Most Powerful Weapon: The Brand Within

We've become convinced the most technological piece of machinery a company can employ is the human. The model organization of the 21st century will be the one where the talents and potential of the entire workforce is fully utilized.1

—Jack O'Toole, Vice President,
United Automobile Workers, Human Resources

What is this elusive quality, "the brand"? Ask the average person on the street, and he or she may respond with logos, tag lines, or ad campaigns. "It's the Rolls Royce winged Mercury," or ''Microsoft's 'Where do you want to go today?' '' Move to marketing professionals and ask an advertising executive what a brand is. He or she may respond with a slightly broader definition, saying it is your product's unique selling proposition or a corporate identity. "It's Saturn's down-home friendly service coupled with the consistent use of its logo and other graphics."

In terms of the power of brand, these examples just scratch the surface. In reality, a strong brand has to do with every aspect of a company's relationship with its customers. Since this is true, then developing and using a brand must be a companywide endeavor.

When company and product actions and messages are driven by brand, you experience *integrated branding*. Integrated branding can catapult a company into the realm of category leadership, as defined by customer and employee loyalty, market share, a strong internal focus,

product price premiums, repeat purchases, and capacity to be prepared for future market shifts. Not just another new business fad, integrated branding practices have been around for centuries in one form or another, whenever companies have driven actions through stated goals or values. But the Integrated Branding Model described here goes beyond earlier work. It combines these discrete pieces and adds new ones to create a holistic approach to relationships with customers and employees. This book will show you how to reveal your existing brand or brands and will provide a roadmap for practicing integrated branding.

INTEGRATED BRANDING—DEFINITIONS

Integrated branding is *an organizational strategy used to drive company and product direction—where all actions and messages are based on the value the company brings to its line of business*. This value is based both on what the company does well and what customers consider important. By focusing actions and messages on company and product strengths, a company is much more likely to create a deep, long lasting relationship with each of its customers.

To summarize, you could also say *integrated branding is the promise that you keep*. At the heart of any company is the promise that it makes to its customers. Companies keep their promises by understanding their brands and acting on that understanding in every endeavor. That promise is carried out by people at all levels of the company—from the CEO to the line worker—so that integrated branding is much more than a communications strategy or set of messages. It touches the company's organizational structure—the way it makes decisions, its strategic direction, its corporate culture, and its customer relationships. Integrated branding also impacts what has been the traditional area of brand focus—communications. When the brand promise meets customers in an integrated way, through products, services, communications, and culture, it produces unique and valuable customer relationships. These general definitions serve as a yardstick for all aspects of a company's relationship with its customers.

An integrated brand is only as strong as the people who live it. If you have a strong corporate culture, the tools in this book will give you ways to strengthen it. If you don't, these brand tools will help you find the key components to build one.

The other definition is the blueprint for the integrated branding process that the company goes through to reveal its brand or brands: *Brand is the intersection between core company (or product or service) strengths and what customers value* (see figure 1.1). Company strengths are what the

Figure 1.1
A Working Integrated Brand Definition
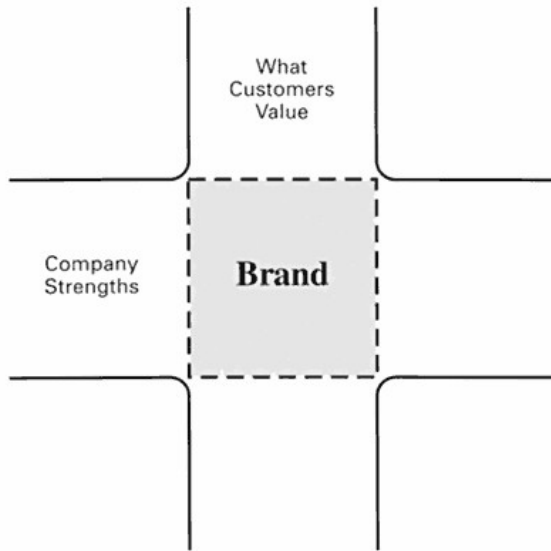
Brand is the intersection of company strengths and what customers value.

company does well. What customers value include the benefits of a product's or service's features, as well as *what customers see as the ongoing worth of a relationship with the company*.

Customers may see value, for instance, in the consistency of your product performance and in the way they feel about your business style or personality. They may also emotionally identify with company actions, goals, and values. Customers may also perceive value from their feelings when in contact with your brand, such as feeling more secure, more comfortable, or more competent. This value adds to relationship depth whether or not customers are aware of their feelings.

WHO NEEDS TO KNOW ABOUT INTEGRATED BRANDING?

Because a strong brand is much more than an image or a logo, brand development should be part of the job description of every CEO, sales associate, product or service development team, human resources person, and marketing executive. In other words, brand is the responsibility

of everyone in the company. Integrated branding is typically introduced to companies by either someone in the marketing department or the CEO because a strong brand achieves the shared goals of the CEO and marketing department through its positive impact on the bottom line and the differentiation it affords products.

WHAT IS THE EFFECT OF INTEGRATED BRANDING?

By integrating a brand discipline from the start, a company can effectively retain its focus as it grows and avoid costly pitfalls that a "we're just selling a product" mentality can cause.

For instance, without a strong brand direction, a company that develops software for information technology (IT) department management might end up with a grab bag of product features that don't meet the needs of any specific IT customer segment. Moreover, if a competitor had a strong brand in place that defined its brand direction as *an IT guide*, it would develop product features that strengthened the product's ability to act as an IT guide. The *grab bag of product features* company could easily find itself falling behind on key features as it tried to develop all features equally, or, worse, it might develop features that obstructed the ability of its intended customers to do their job.

When a company is brand-driven from the beginning, integrated branding allows it to leverage all the skills of all workers in a direction that makes best use of its strengths. This process provides immediate strategic direction for product development. A company that builds products that correspond more exactly to its strengths builds value, trust, and loyalty with customers far faster than the competition.

This is particularly important in new product categories. Companies understand the need to educate the marketplace about a new technology—including how it works and why it is beneficial. But they often forget to demonstrate the unique strengths they bring to their product's use of the technology. By focusing only on new category development without differentiating your product within the category, you could lose several years' worth of brand development potential.

For example, early entrants in the high-speed (fifteen to twenty-two pages per minute) desktop laser printer market had several years head start on Hewlett-Packard. Yet none of them was able to claim leadership of the marketplace because they had no way of differentiating themselves beyond having a faster printing technology. HP's first entrant in the category, the LaserJet IIIsi printer, immediately became market leader. HP caught up just by making a product with roughly equivalent

features, because it had fast printing *and* a compelling brand strength—*reliable quality*—that corporate users valued.

Consciously managing your brand is extremely important if you are a small- or medium-sized company. Small companies with inexperienced management teams tend to want to be all things to all people. They may emphasize features and benefits that they can't sustain over the long term. If they are successful, they also tend to grow rapidly and often lose focus on what made them successful. Instead of trying to be all things to all people, integrated branding allows you to focus on the needs of your best customers extremely well. Integrated branding creates a single focus and direction that allow companies to differentiate around what their customers value. This focused differentiation turns into higher margins and market share over the long term.

An integrated brand also results in these benefits:

Internal Benefits

- A consistent and accurate compass for R&D and market and product development
- A clear and defensible strategic direction, regardless of market changes
- Consistent messaging
- High levels of employee loyalty and esprit de corps
- Greater employee initiative

External Benefits

- The ability to charge a 15 to 20 percent price premium above the market average for a product and maintain that price delta even as a market matures
- A shorter customer repurchase decision cycle
- Higher levels of customer loyalty
- The right capabilities to capture and retain market share
- Customer evangelists
- A platform for ensuring new product success
- High company financial valuations and less share price volatility

The Relationship Pinnacle: Customer Affinity

Although most product managers wish to create customer preference for their products, integrated branding goes further. It creates relationships in which customers are able to identify completely with the goals of the company and translate those goals into personal benefits. Integrated brand managers ask, "What is the entire range of benefits that

Figure 1.2
Self-Indentification Pyramid

the customer gains from brand interactions?" By answering this question, companies can build emotional and intellectual rapport with customers to a very high level.

The goal of integrated branding is to create an authentic experience that allows customers to identify with the brand completely on a rational and emotional level. This is called *customer affinity*. The figure above shows the progressive levels of relationship possible (see figure 1.2), culminating with the customer's saying, "Our goals are the same." This can't be done through manipulation or marketing sleight of hand. It also can't be achieved if your only objective is to get as much money as possible from the customer. It must spring from the company's desire to create a genuine relationship that is built on actual company beliefs backed up by consistent actions.

THE TOOLS OF INTEGRATED BRANDING: ORGANIZATION AND BRAND DRIVERS

Although all companies have brands, most do not consciously manage them. The Integrated Brand Model described in this book includes tools for revealing and building strong brands. These tools, *organization* and *brand drivers*, will allow your company to develop customer relationships

Figure 1.3
Driver Impact on Customers and Employees
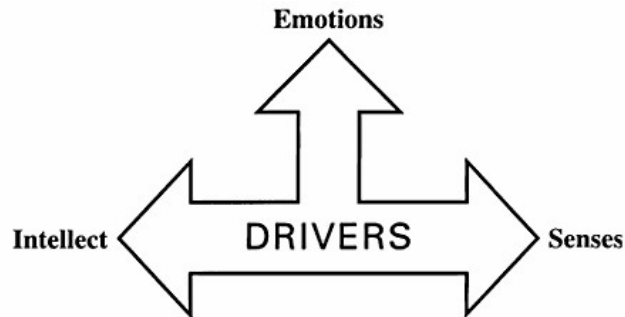
Organization and brand drivers impact all decision making.

and create brand-strengthening customer interactions, one customer at a time (see figure 1.3). These tools will bring your brand or brands to consciousness and then *drive* their development into the future. They apply to what the company and its employees believe, what they choose to focus on, how they act, what products or services they develop, and how they communicate externally.

Organization drivers include the *mission, values*, and *story*—these provide the base for any brand a company creates, from the corporate brand to individual product brands. Brand drivers include *principle, personality*, and *associations*. These often will differ from corporate to product brands and among product brands within an organization.

> ORGANIZATION DRIVERS = Mission, Values, Story
> BRAND DRIVERS = Principle, Personality, Associations

WHAT ARE THE ESSENTIALS OF SUCCESSFUL INTEGRATED BRANDING?

There are several prerequisites to bringing integrated branding into a company:

- If a brand is to succeed over the long term, that brand must drive *actions* as well as *communications*.
- A company must buy into the premise that retaining existing customers is one of its highest objectives.
- When a company, division, or business unit first moves to a brand-driven

model, company leaders must play a central role in revealing the brand or brands, rather than having their brand handed to them by a committee or consultant.
- The company must also develop a core group of champions who serve on a standing brand team, with a senior manager as a consistent and vocal supporter of that team.
- Finally, in order to stay on track over the long term, integrated brand development requires organization and brand drivers that are both comprehensive and easy for employees to use.

DO ALL PRODUCTS NEED BRANDING?

Whether a company is high-tech or low-tech, small, medium or large, the immense amount of information being thrown at customers has made the battle for their attention—and loyalty—more complex than ever.

Most companies assume that because they were successful in the past, they will continue to be in the future. This is rarely how it works. For companies in technology and other rapidly changing markets the scenario looks like this: Early entrants in a new-but-established market are successful if they offer a product that is reasonably functional and reliable. As the market grows, sales take off. But other companies then enter this growth market, with a rush of lower-cost, "me too" products.

This is the point where many companies falter. When a market becomes highly competitive, a company is faced with two choices: strengthen its brand and become a dominant market leader, or compete on pricing and become a commodity. Companies who see this coming can establish a strong product brand before their product turns into a commodity. They will then be able to maintain their market share and a price premium even in a market where all products are roughly equal.

There is a line of thinking that says that only interesting or exciting products need to pay attention to their brands, that products that are commonplace or border on commodity status have no brand hooks. These might include such products as electricity, salt, personal computers, or voltage meters. But many research studies indicate that any product can benefit from branding. If the research is accurate, and there are literally decades of studies supporting this, products that are treated (and priced) like commodities have become that way as a result of the choices a company makes.

For instance, research shows shoppers will pay 15 percent to 300 percent more for particular brands of salt. Electricians who use digital volt meters to measure electrical current typically buy on the basis of which

Table 1.1
Buying IT in the 90s: The Channels Study

Category	Brands considered prior to purchase	Percent purchasing brand in consideration set
Desktop PCs	2.5	77%
Notebook PCs	2.7	78%
Printers	1.9	83%
Application Software	2.0	81%
LANs	1.9	79%

Notes: PCs=Personal Computers; LANs=Local-Area Networks

Source: IDG (International Data Group)

brand says the most about their professionalism. And as you've noticed when pricing out computer systems lately, people will pay varying premiums for name brand computers, whether for professional or home use.

In terms of high-technology products, between two-thirds and three-quarters of all customers make their brand decisions before entering a computer store and nearly 80 percent purchase a brand that was in their previous consideration set. According to research from IDG (International Data Group) entitled *Buying IT in the 90's: The Channels Study*, 947 corporate buyers of consumer-related products listed the following considerations (see table 1.1). This means that you need to be in the top two brands in any market to be considered. This is relatively easy to do when you are one of the only products in a new market, but what happens when the market begins supporting ten, twenty, or more competitors? Brand provides an answer through encouraging high levels of customer loyalty and market distinction.

With the advent of the electronic age, focusing on the distinctiveness of your brand will become even more important. Integrated branding can help protect you from upstart web-based competitors who make it easier to buy a product or who allow purchases to be made without ever physically coming into contact with the product. In terms of personal computers, we have reached an age when customers can purchase from the manufacturer's or reseller's web site and even configure the product themselves. NEC Computer Systems Division spent $40 million on an advertising campaign for NEW Now, a brand centered on speedy delivery based on build-to-order (BTO) instructions. According to Kathryn Dennis of *Marketing Computers*, "BTO puts a new spin on the age-old question of who owns the customer: so the question du jour is 'Who controls the brand?' "2

Within the Integrated Brand Model, the answer to *who controls the brand* is *the brand is controlled mutually by both the company and the customer*. But it is the company's responsibility to provide the place and take the actions necessary for the brand relationship to develop, whether on the retail floor or electronically at the customer's desktop.

DETERMINING WHERE YOU ARE ON THE INTEGRATED BRAND CONTINUUM

Many companies have experienced brand work only as an adjunct to a new corporate identity or advertising campaign. If your company has conducted some branding work in the past or has identified specific brands, the following questions will help you determine how close your brand is to an integrated brand:

- Do all divisions and departments use a common strategy statement as a tool to make decisions? yes/no
- Is there a consistent tone and business style to external communications? yes/no
    - Do you have a strong corporate culture? yes/no
- Can employees explain
    - the strategy for each brand? yes/no
    - the brand principle? yes/no
    - the company mission? yes/no
    - the company values? yes/no
    - associations for each brand? yes/no
- Do company actions align with company messages? yes/no
- Are all messages consistent throughout the organization or brand? yes/no
- Would a prospective customer recognize the brand by seeing a number of marketing communications pieces if there were no logo on them? yes/no
- Are product names consistent and understood by the market? yes/no

If you answered yes to two or more of these questions, you have integrated your brand to some extent. If you answered no to any of these questions, you are not yet practicing integrated branding to your greatest advantage. This book will give you the tools to answer yes to all questions on this list.

NOTES

1. Jack O'Toole, ''Forming the Future: The Marriage of People and Technology at Saturn," presentation to Stanford University's Industrial Engineering and Engineering Management Departments, March 29, 1990 (available in Saturn's students package).

2. Kathryn Dennis, "The End of Brand Control," *Marketing Computers* (March 1998), p. 10.

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2 The Integrated Brand Model: The Basis for Strong Customer Relationships

Fundamentally, a brand is a promise a company makes to consumers.1

—Microsoft Corporation

The most important thing to understand about integrated branding is that it is a model for building the most important asset any company has—its *relationship* with its customers. If you understand that your best customer is the one you already have, then creating a rational system for deepening customer relationships is the logical next step.

Basing your product or service offerings on an integrated brand allows your organization to develop more saleable products over the long term by keeping it focused on your strengths as an organization. This focus opens it to new possibilities by broadening the corporate aperture from looking at what you are producing right now to looking at the bigger picture. Seeing the big picture is an essential prerequisite to company longevity. Strategy based solely on current product or service uniqueness ultimately results in decreasing market share, lower margins, missed opportunities, and price wars.

Refined over the past decade, the Integrated Brand Model offers a methodology for differentiating your brands in a significant and lasting manner. Integrated branding helps companies understand *who they are* and how to use that knowledge consistently to create better results. As with all worthwhile change, the process takes some investment in time and elbow grease up front, but results in a huge payoff.

Well-implemented integrated branding can correct and prevent some key problems:

- Loss of focus. Without the conscious management of brand assets, companies can easily go astray over the years. This may happen because a new CEO or executive team takes over and has a different strategic vision from the original team, or because the company has never analyzed what about its original focus made it successful to begin with. This unconsciousness makes it easy for the company to go in new directions on the basis of a mistaken premise.
- Lack of synergy among product line brands. Even if a company has been successful in multiple lines of business, it may have no compass directing additional investment or cross-development of products or services. When brand is unconscious, actions and messages are left at the mercy of company politics and/or the well-intentioned initiatives of those in power. Products that have the most politically astute product managers may receive more investment, or a company might underinvest in places that could ensure future growth.
- Under-valuation in financial markets. Both lack of focus and lack of product brand synergy can result in misunderstandings on Wall Street. Without a simple, appealing, and comprehensive story to tell, companies are left at the mercy of investment bankers to create a story for them. However, when companies have strong brands from the onset, Wall Street rewards them with greater valuations and less share price volatility.2

The Integrated Brand Model will give you all of the pieces necessary to reveal, develop, and build an integrated brand. Most of you will have products or services that already have a history and already are a brand or number of brands. This process allows you to *reveal* the drivers of your brands and their business scope. It also shows how to empower employees to use drivers consciously to strengthen the brand in the course of everyday business operations.

THE INTEGRATED BRAND MODEL

The Integrated Brand Model maps out a brand in a way that allows it to be used easily by all employees. The model provides a frame of reference for ongoing brand work and lets you check assumptions for such strategic activities as new product development, mergers, and acquisitions.

The Integrated Brand Model (see figure 2.1) outlines three levels of activity that define all brands. One of the ways the model is different from many other brand approaches is that it provides a clear process for becoming brand-driven that every employee in the company can follow.

Figure 2.1
Integrated Brand Model
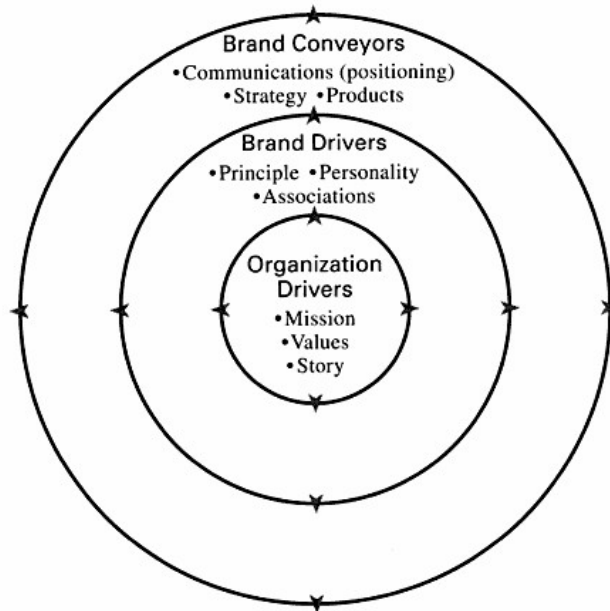
The Integrated Brand Model provides an overview of how to become a brand-driven organization. It outlines the three levels of activity—brand conveyors, brand drivers, and organization drivers—that define brands.

Another way is that it is a process that works just as well for start-ups, small companies, medium-sized companies, and large ones. Perhaps for the first time, it puts effective branding within the reach of many companies that could not have benefited from brand development activities in the past because of high consulting costs.

What does the Integrated Brand Model look like? It is made up of a series of tools, specifically *organization drivers, brand drivers*, and *brand conveyors. Brand conveyors*, the outer ring, describe what happens on the outermost, customer-facing level of your organization, product, or service—it's where day-to-day activities, from product development to communications, happen. Prior to becoming truly brand-driven, most companies spend their time making decisions based on brand conveyors without ever digging deeper. When brand-conveyor-focused companies want to upgrade a product or create an advertising campaign, *rather than*