Q. When is a brick not a brick?
A. When it’s a brand!

Prepared Specifically for the Construction Materials Conference 2008
Sponsored by: Odak Danışmanlık & Yapı-Endüstri Merkezi
COMMODITY BRANDING

A Brick is Not a Brick When It’s a Brand

by

Matt Michel

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Forward

Şerefınız!

This document was prepared expressly for the Construction Materials Conference 2008. A thank you is necessary to all of the sponsors. Specifically, thanks should go to Odak Danışmanlık and the Yapı-Endüstri Merkezi. Personally, I would like to thank Semra Sevinç who played a trans-Atlantic coordination role. I’ve performed similar roles at conferences and marvel at her patience when dealing with people like myself, who are always busy and deliver at the final deadline.

I’ve been involved in the construction market in the United States my entire career. I have limited experience in the European market when I represented the USA in a joint venture. There are clear differences between the Europe and the USA, but there are also many similarities. Branding is one of the areas where there is much in common.

Today, world markets are reeling from a financial crisis. While Turkey has consistently out performed Europe over the past decade, the boom may not be sustainable in the current environment. This does not mean individual companies cannot grow. I’ve lived through one of the United States’ sharpest commercial construction declines in decades and my business still grew. Solid brand strategies were a fundamental part of our success, as was pure hustle. I learned that tough economies can be outstanding opportunities for aggressive companies. In this document and my presentation, I hope to communicate some of the lessons I learned.

Now, more than ever, attendance at conferences like this can spell the difference between success and failure. Take the opportunity to talk with
peers, to learn, and to return to your job filled with new motivation and new ideas. I hope to learn as much from you and you learn from me.

I’m honored to be part of this conference and honored to be a guest in your country. If we do not meet during the conference and you would like to ask questions later, you can email me at matt.michel@serviceroundtable.com. If I do not respond immediately, resend your message. I receive over 300 emails a day, get backed up from time to time, and have been known to lose messages.

If you would like to receive my free marketing newsletter, you can subscribe at www.ComancheMarketing.com.

Gidelim!

Matt Michel
Introduction

I was ten years old, sitting in a restaurant with my parents in Florence. A U.S. student traveling through Europe was at the table next to us. “Order aqua naturale,” he advised. “Otherwise they’ll bring you bottled water, which you have to pay for.”

Dad gratefully took the advice. Bottled water seemed like a silly idea. Who would pay for bottled water when you get it free from the tap, I wondered at the time.

Today, it’s not a silly idea. Zenith International’s 2008 Global Bottled Water report found that 206 billion liters of bottled water were consumed in 2007. Moreover, between 2002 and 2007, bottled water consumption increased at a compound rate of 7.9%!¹

Many people keep bottled water at home and the office. I know I do.

What could transform a free, widely available, plentiful commodity product into a premium product, spawning a booming global industry? Branding, of course.

The leading bottled water companies are Coca-Cola, Danone, Nestlé, and PepsiCo. Together they control one third of the bottled water market. All are top-shelf marketers. All are experts in branding.
Commodity Branding

Coca-Cola’s Dasani brand turned over US$1.86 billion in 2006. Coke admits Dasani comes from a public water supply, as does PepsiCo’s Aquafina brand. Aquafina outsold Dasani in 2006, bringing Pepsi US$2.17 billion. How can Coke and Pepsi take tap water and turn it into more than $4 billion? It’s the power of branding.

These aren’t the only water brands marketed by these beverage giants. Coke lists 23 water brands on its website, but that’s still a far cry from Nestlé.

Nestlé literally sells dozens of brands of bottled water around the world…

**Nestlé Worldwide Water Brands**

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Why so many brands? Each brand is designed to occupy a different position. Some brands are regional. Some are country specific. Some are regional within a country. Brands are positioned by price, by water source, as vitamin water, as sparkling water, by their packaging, as environmentally friendly, and so on.

As consumers, we buy bottled water for our own reasons. While it’s true that some consumers who buy bottled water care less about the brand, others do care. I’m one of them. I strongly prefer the Deja Blue brand. I know it comes from a public water supply, but it’s filtered through a four stage reverse osmosis system. I think it tastes better and pay more for it.

Some prefer natural spring water. The beverage companies have branded products specifically for them. Some perceive vitamin water is healthier; brands exist for them. Some like to drink from a sports bottle. Branded products come with sports bottle packaging. It’s all bottled water, yet it’s not. It’s dozens of categories of bottled water.

The beverage companies create new product categories and then launch new brands to take advantage of the categories. Each brand is positioned to compete in or dominate its category. If it seems like there are a lot of brands, it’s because there’s a lot of money to be made and beverage companies are creative about developing new product categories.

It’s hard to imagine a more basic commodity than water. If water lends itself to marketing differentiation through brand strategies, then any commodity can be branded. That’s the purpose of this book. It’s a guide for the marketer who is tired of competing on price, who wants to take a commodity product or service, differentiate it, and brand it.
What Is a Brand?

Branding is not new. Around 8,000 years ago in ancient Mesopotamia, villagers created stone seals that they used to mark the caps and stoppers of food and beverages. As long as people traded within their villages or the next village, the relationships were personal. People knew old Baba the oil merchant personally and knew he made good stuff. They trusted Baba.

Over the next several thousand years, Mesopotamian villages grew into cities. Around 5,000 years ago 20,000 people lived in the city of Uruk, located in present day Iraq. With that many people the personal trust relationships were broken. Products may not have been made by the seller. No one knew what kind of quality was being purchased. The Mesopotamians came to rely on the stone seals impressed in the caps and stoppers of oil and wine. According to Archeologist David Wengrow, these were the first brands.³

This means branding is at least 5,000 years old. Branding gave order to a confused world. It simplified communication. It indicated quality. It was a promise.
Brands Are Promises

Fundamentally, brands are promises. Brands fulfill the same role today that they did five millennia ago.

What did Baba the oil merchant promise? When he was personally selling his oil, he could personally elaborate on its quality. When Baba’s oil was trading hands for the third time in Uruk, Baba wasn’t around to make a promise. Yet, buyers saw Baba’s brand as a promise. The buyer determined the brand’s promise. Gulp!

As a marketer, I want to control my brand. I want to decide what it promises and what it doesn’t. Too bad the market won’t let me.

I can try to influence the brand promise. I can deliver the promise. But only the buyer decides the exact nature of the promise. This is one of the reasons it’s important to monitor the brand perceptions.

We designed the Service Roundtable’s brand promise as delivering to contractors more sales, more profit, and more time to get things done. Most contractors see us delivering on this promise and more.

Contractors have come believe that “the Service Roundtable stands for the contractor,” meaning we defend the contractor regardless of personal cost and we keep the contractor’s interests at the forefront of everything we do. I don’t object to the promise. It’s just not something we anticipated. It evolved on its own. And now, its become something we must adhere to and follow in all of

“A brand is more than a name or a logo – it is a promise and a contract with every customer with whom you are dealing and if people feel that the offering does not live up to what they expect from the brand, they will decide to stop buying.”

Richard Branson
our actions and decisions because to do otherwise would be to break the brand promise and trust our customers give us.

Brands are promises determined by the customer. The promise is whatever the customer says it is.
Why Brand?

Every company with a name has a brand. Every company with a name has an implied promise behind the name. Not every company manager thinks about the brand. Those who do quickly discover clear advantages of branding.

Branding helps people buy, identifies differences in products and services, gives buyers safety, offers the potential to build relationships with emotional connections, and enhances company value.

Brands Bring Order to Chaos

The website, Cnet lists 1323 different digital cameras produced by 51 different manufacturers. Cnet lists 685 mobile phones, 671 MP3 players, 1178 televisions, 3740 computer printers, and 6246 laptop computers. How can the poor buyer navigate through this morass of products?

Spending five minutes evaluating each laptop would require 13 full 40-hour work weeks. And by then, thousands of new laptops would be available.

We have to find short cuts, just to survive. Enter brands. Brands help us sort the clutter. Brands bring order to chaos. We zero in on the brands we know
and trust, eliminating others. Instead of 1323 cameras, we start with 132 under the Canon brand. Instead of 6246 laptops, we start with 316 Toshiba laptops.

**Brands Represent Differences**

Walk into any large grocer and you will be confronted with a dizzying array of sameness. According to grocery scanner data, much of the sameness sits untouched.

In a typical day, 29% of a grocery store’s SKUs will sell. In a week, 59% sell. In a month, 76% sell. Stated differently, one item out of four in a local grocery store sits on the shelf unsold.

What does sell? Low price products sell and products with a clear point of difference sell. How do you know they have a point of difference? The difference is branded.

Eggs, for example, are a very basic commodity product. Traditionally, there have been white eggs and brown eggs, large eggs and medium eggs. Along comes Pilgrim’s Pride with EggsPlus, a new brand of eggs that come from hens with a unique diet. The resulting eggs are rich in Omega-3 essential fatty acids and pumped with extra Vitamin E. EggsPlus has created a new egg category and commands a premium price for the brand. The EggsPlus brand communicates a difference.
Brands Provide Safety

Brands are also safe. They reduce risk. I used to ask my students in marketing seminars to imagine they were visiting an unfamiliar city and needed to select a hotel and restaurant. I gave them choices between local brands and national brands. The students didn’t know it, but there was not much difference between the hotel and restaurant choices, other than a recognizable national brand. The price points, quality, and service were comparable.

Over 90% of the time, students selected the national brand. When in doubt, the familiar national brand was the safe choice. People didn’t know what to expect from the local brand, but were familiar with the national brand’s brand promise.

When students were familiar with the local brands, the opposite selection occurred. The local brand was picked over the national brand. Why would a local brand beat a national one? For the same reason a national brand beats an unfamiliar local brand. It’s safety.

In focus groups, consumers frequently express preference for generic local companies over generic national ones. People perceive the local company are more involved in the community and have more at stake. The local company’s owners have a reputation around town to worry about. The local company’s level of commitment adds an extra dimension of safety.

Brand familiarity is key. The national company’s brand familiarity gives it an edge among people unfamiliar with a local or regional brand. Without the edge, equivalent local brands win out.

Clearly, there’s safety in the familiar. When IBM dominated the mainframe computer market, a proverb of information technology professionals (and
encouraged by IBM sales representatives) was that “no one was ever fired for buying IBM.” When all else is equal, brands provide safety.

Brands Facilitate Relationships

Buyers can become emotionally attached to brands. Buyers associate with a brand and see the brand as an integral part of their self-image. The more personal a product, the greater the potential exists for an emotional attachment. Consumers may feel an emotional attachment to a fragrance or clothing designer.

It’s harder for buyers to form emotional attachments to technical products and services. And yet, the most classic example of an emotional brand might be Apple.

According to Emotional Branding author, Marc Gobe, Apple is all about the brand. Gobe said, “Without the brand, Apple would be dead. Absolutely. Completely. The brand is all they've got. The power of their branding is all that keeps them alive. It's got nothing to do with products.”

Gobe may be referring to Apple’s numerous, well-documented quality problems. Any other company would suffer considerable damage over similar problems. Not Apple. The company’s counter-culture, hip positioning as the anti-Microsoft has created the “Cult of Apple,” an emotional attachment among its devotees that forgives all mistakes.

Virtually any brand can foster an emotional relationship with its customers, including B2B brands. The Norman Wright Mechanical Equipment Company supplies products for high rise and industrial building construction in Northern California. The company is merely the manufacturer’s representative for a
number of brands. Yet, Norman Wright has built an emotional preference for the company based on Norman Wright’s support of design engineers.

The company holds a special conference for engineers in San Francisco each year. It provides lots of assistance to engineers. But that’s just for starters. Norman Wright really shines when engineers find themselves in trouble.

Sal Giglio, an executive with Norman Wright, says he loves it when an engineer makes a mistake. Norman Wright will go to almost any length necessary to help the engineer, earning loyalty for life. Engineers feel a sense of obligation and an emotional connection with the Norman Wright brand.

The engineers go out of their way to help Norman Wright win work over other, pure price brands. If an engineer makes a mistake and Norman Wright can cover it, they will. The implicit promise is Norman Wright will stand behind its customers, no matter what.

**Brands Add Value**

Simply stated, brands make companies worth more. How much more? According to marketing analyst, Interbrand, the most valuable brand in the world is Coca-Cola. As of June 30, 2008 the Coke brand was valued at US$67 billion. This is what Interbrand figures the brand will earn the company in the future.

It’s hard to grasp a US$67 billion valuation. Think of it like this. The November 2008 market capitalization for Coca-Cola is US$107 billion. This means that 62% of the company’s value is the brand.
The McDonald’s brand is valued at $31 billion and its market capitalization is $63 billion. Half the company’s value is its brand. This makes sense. What is McDonald’s without the brand? It’s nothing but a large collection of hamburger stands.

The total cost to open a McDonald’s franchise ranges from US$650,000 to US$1,225,000. A quick survey of non-franchised fast food restaurants revealed that an existing hamburger restaurant business can be purchased for US$60,000 to US$400,000. The implication is that the McDonald’s brand is worth 30% to 90% of local store’s value. Since an existing business with an established customer base is always worth more than a start-up, this probably understates the value.

Clearly, brands increase the value of a business. In fact, a strong brand can become a business’ single most valuable asset.
From Commodity to Brand

Commodities exist in the mind of buyers when a buyer does not perceive a difference between products. If I’m buying brick for a house or building and do not perceive differences, brick is a commodity. Now, important differences may exist, but if I do not perceive them they do not exist for me. As the buyer, whatever I perceive is my reality.

When buyers perceive no differences between two products, price becomes the determining factor. We see this when one gas station lowers its price one penny a gallon less than the station across the street. For 15 to 20 cents per tank of gas, drivers will line up at one station while its competitor sits empty. If the prices spread is greater, price becomes even more important.

Confusion = Commodity

When buyers are unfamiliar with a product category and receive conflicting information about products with no means to discern the truth, buyers act like the products are commodities. An example lies in the air conditioning industry. When homeowners replace an air conditioner today they are confronted with an array of choices, such as efficiency levels, variable speed air handlers, the necessity of replacing the evaporator, changing from refrigerants that will be
Commodity Branding

phased out to their more expensive replacements, replacing or sealing duct systems, upgrading diffusers, adding additional return air ducts, air cleaner selection, adding a zoning system, upgrading thermostats, and on and on. Homeowners replace air conditioners infrequently, seldom think about their air conditioner when it works, are generally unfamiliar with manufacturer brands, are certainly not knowledgeable about product brands, and likely to have no relationship with a local contractor, though brand familiarity is probably better.

In this environment, two different salespeople from two different contracting companies that are equally familiar or unfamiliar to the homeowner often provide conflicting advice and recommendations. Homeowners may make subjective assessments based their rapport with one of the salespeople. Absent greater trust due to better rapport with a salesperson, the homeowners discounts all recommendations and falls back on the one objective piece of information available, which is price. In short, product and feature confusion leads to the commoditization of a category.

Breaking Free of the Commodity Trap

Unless a manager is content to compete by offering the lowest price, it should be every manager’s goal to create differences that lead to preference when price is equal or that can command a premium. But how?

Acme Brick

Consider bricks. Bricks are a pure commodity, or were. Acme Brick has created differences. For starters, Acme’s products are fired clay, not artificially colored concrete bricks (sometimes called limestone bricks). The colored concrete bricks tend to fade over time. They also shrink as they cure. If
installed before the curing process is complete, the bricks could crack. Yet, concrete bricks are 10% less expensive, which is reason enough for builders to use concrete bricks over clay bricks.⁶

There are real differences between concrete and clay bricks. There are no differences between bricks made in the United States and those made in Mexico.⁷ Yet, U.S. consumers perceive Mexican bricks to be inferior. Remember, buyer perception is reality.

Acme sought to exploit both real and perceived differences. The company needed to distinguish their U.S. manufactured clay bricks from concrete bricks and Mexican bricks. Their solution was to brand the bricks. Acme stamps its name in the ends of random bricks.

With the branding mechanism in place, Acme embarked on an advertising campaign to educate homeowners about the differences in bricks and how to recognize Acme bricks.

To give credence to the claims that their products were superior, Acme created a 100 year performance guarantee. Next Acme sought the credibility of third party certification in the form of the “Good Housekeeping Seal of Approval.”

To boost the company’s advertising campaign, Acme recruited Dallas Cowboys quarterback Troy Aikman when he was a rookie. Initially, the company provided free bricks to Aikman homes in return for the use of Aikman’s name in promotions. The relationship has expanded, with Aikman featured on television commercials for Acme. Acme contributes to the Troy Aikman Foundation, which donates children’s play areas for hospitals.
Acme markets to the entire channel: distributors, builders, and homebuyers. The company commands a 10% premium, enjoys a 50% market share in metro areas, and 30% to 40% for the region. The Acme brand is preferred by 84% of new homebuyers.  

Billionaire Warren Buffett purchased the company in 2000, citing Acme’s brand strength. “We place a high value on investing in companies with strong brand positions in their markets,” noted Buffett.

**Titus**

Titus manufactures air distribution products for commercial and industrial buildings. One of their main products is variable air volume (VAV) terminal units. I ran this business unit for Titus in the 1990s.

Terminal units are essentially air valves that control the flow of conditioned air in buildings, in response to thermostat signals. Some terminals provide fan assistance, mixing return air from the ceiling plenum with the conditioned air. The terminals are located in the ceiling, out of sight. The main specifiable feature of terminals is their sound levels. They are located out of sight and are hopefully, unheard.

Making matters worse, the terminal units consist of little more than insulated sheet metal boxes with a round, stovepipe and damper. Terminals were one of the biggest commodities in the mechanical systems of a building.
Commodity Branding

We were still able to generate preference and build the Titus brand. We built upon Titus’ engineering legacy. Harold Straub pioneered much of the original research into room air diffusion, including sections of the American Society of Heating Refrigerating & Air-conditioning Engineers Handbook. We begin using the tag line, “Leading the Way in Air Management” (soon modified to “Leaders in Air Management” and changed a few years ago to “The Leader in Air Management”). The tag line worked with a trade advertising campaign to reinforce Titus’ position as technically superior and a pioneer.

We sought product certification in a new section of the Air-conditioning & Refrigeration Institute (ARI), an industry trade group. Because of the cost, some manufacturers opted out of ARI. Those who did seek certification worked together to promote the value of certification. I created a brochure for ARI that Stressed the value of certification. Because I created it, I used a picture of one of our products on the front, a tacit endorsement of Titus and reinforcement of our leadership position (this created minor controversy when another manufacturer objected to the image).

With Titus’ Director of Research, I sat on the ARI engineering committee that wrote the standard affecting our part of the industry. This kept us on the industry’s cutting edge, allowed us to influence the standard, and given the lack of support by other manufacturers, it further reinforced our leadership role.

Because a union label was essential for some markets (e.g., Chicago, New York, San Francisco, Minneapolis), we invited a union into our Texas terminal unit factory. This allowed us to ship units with the union label. Surprisingly, some of our competitors lacked the union label, which limited the markets where they could compete.
We republished a major, dramatically improved catalog with a significant engineering section. None of our competitors had anything remotely like our catalog. It became an essential resource for mechanical engineers, reinforcing our technical leadership position.

We reinforced the technical leadership with hundreds of one-on-one visits with engineers every year. My staff and I would assist our independent representatives with calls on engineers and architects whenever possible. We built elaborate mock ups to test the sound performance of our products whenever it would help win a job.

While every manufacturer’s products were similar, we magnified every difference. One of these was the flow cross sensor. At the risk of getting technical, every terminal unit measures duct total pressure and static pressure to determine velocity pressure and air flow. Most manufacturers insert a pitot tube in the duct, which is little more than a small aluminum tube with holes in it. The problem with a pitot tube is it might misread total pressure (and airflow) if the air was at one side of the duct. Titus used a sensor that sampled four points and averaged them, called the “Flow Cross Sensor.” When introduced, it was the only multipoint, center averaging sensor. Though other companies introduced functionally equivalent products, Titus’ was made out of injection molded plastic. It looked different. We exploited that difference.

When the Electric Power Research Institute began to promote “cold air distribution” as a way to reduce central fan energy (i.e., by moving smaller volumes of lower temperature air), we supported their research efforts (and accepted grant money) and launched “cold air” diffusers and fan powered VAV terminals, which were designed to prevent sweating and diffuser “dumping,”
both major concerns of engineers. The products reinforced the brand’s leadership position. Our parent company, Tomkins PLC, was so impressed they named the entire team as Tomkins global “Innovators.”

When I took over Titus’ VAV business, high rise office construction in the United States was just beginning a free fall. Construction fell 34.6% during my tenure with the company. Yet, due to aggressive selling and strong branding, we increased shipments 6.9% and beat the profit plan and bumped gross profit by double digit numbers. Since the market was in free fall, the modest sales increase meant the brand was taking sales away from the competition. Titus increased its market share 9.9 points, not percent. The brand leaped ahead of the competition to become the world leader in the terminal unit category.
The Branding Process

Many managers think the sum total of branding is the brand identity. They see branding as the brand name, logo, and tagline. That’s the visible part of branding. Like an iceberg, most of branding is not visible. It’s below the water line. While there are as many ways to look at branding as there are marketing consultants, I prefer to follow a modification of a process developed by my friend Bruce Anderson of Anderson Consulting in Dallas.

The branding process must take into account the personality of the brand, its positioning, the strength of the relationship of the brand to the customer, and the culture of the company. Overlooking these factors does not eliminate them. It simply means happenstance runs the branding process. Maybe happenstance will work in the brand’s favor. Maybe not.
Defining a Brand’s Personality

David Aaker, author of the excellent book, *Building Strong Brands*, defines brand personality “as the set of human characteristics associated with a given brand.” Apple Computer, for example, has a personality that’s quite different from Microsoft. Apple is cool, hip, chic, stylish. Microsoft is none of those. Apple is young and artsy. Microsoft is old and business focused.

Consumers who want to be associated with the same traits as Apple’s personality, prefer the company’s products. They see the brand’s personality as a reflection of their own.

For this reason it’s important to reinforce a brand’s positive traits that are attractive to buyers and try to mitigate the negative attributes. Changing a brand personality is almost as difficult as changing a person’s personality. While you are unlikely to change a person’s personality, with consistent effort you can change a brand’s.

For example, insurance company MetLife wanted to make the company warmer and more approachable. The company began a long process to change the brand’s personality by associating it with the Snoopy character from the Peanuts comic strip. MetLife succeeded, but not overnight. It took time.

Academics have embraced the brand personality concept. They tend to create complex research studies and interdependent conceptual models to illustrate the composition of brand personality and its role in building brand equity. For the marketing practitioner, it’s enough to ask people to describe the brand as though it were a person.
### Personality Traits

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Most brands lack strongly defined personalities. Most brands carry oatmeal personalities. They are like blank pallets and the marketer is the artist. This is certainly true for commodities. When the personality of a brand is unknown, the marketer has the rare opportunity to create one out of whole cloth. Unless it’s new, do not assume a brand lacks a personality. If customers perceive a personality that’s different from the one the marketer attempts to create, the result is likely to be a brand Frankenstein.

Conduct research with staff and with buyers to determine what people inside and outside the company perceive to be the brand’s personality. Ask people to describe the brand as if it were a person.

Suggest alternative personality traits and ask if they could apply to gauge the depth of feeling. Is the brand personality something simple that could be changed if negative or reinforced if positive? Or is it deeply entrenched?

Once the brand personality is known or defined, work can begin on positioning. It’s necessary to understand the personality because it may affect how the brand is positioned.
Brand Positioning

The brand position is where the brand stacks up against competitors according to important attributes. The positioning should show how the brand is different from other brands. The ultimate positioning results in the creation of an entirely new category.

In 2002, around half a dozen business alliances served plumbing and air conditioning contractors on a national basis. All involved considerable expense for members from dues, meeting attendance, and so on. Each provided their contractor members with a number a variety of business resources.

In addition to the alliances, several franchises operated. The franchises were characterized by even greater costs. The final business support groups were trade associations. These were originally formed to represent the industry to government, the public, and to facilitate training and standards, but strayed off mission from time to time by providing business services in competition with the alliances and franchises.

The groups were not mutually exclusive. Most alliance and franchise members were also trade association members.

We plotted the costs to the contractors to belong to the different groups against the support services provided. The clear positioning opportunity was for a group to
offer higher deliverables (i.e., more services) at a reduced price. We believed this would expand the market by attracting contractors who could not afford or were unwilling to pay the membership costs of the business alliances, but who needed more services than the trade associations were providing.

Offering more for less cost is usually an open position. The challenge was to find a way to do it profitably. Our solution was to rely on the Internet. We avoided expensive meetings. We abstained from printing and shipping costs. All support material was made available online. Contractors downloaded it, customized it, and printed it at their expense.

We also provided online networking opportunities through email discussion lists. The discussions were archived and searchable, creating an extensive knowledge base archive over time.
Because we were using the Internet, our variable cost of serving additional members was close to zero. The product was fully scalable. After the first member, overhead is unaltered if one or one thousand new contractor members join.

We quickly learned that we had a hit on our hands. The Service Roundtable grew faster than any alliance, franchise, or association in industry history. While the trade associations are larger, the Service Roundtable exceeds the size of all business alliances put together.

In essence, the Service Roundtable does not compete with the existing groups. We created an entirely new category: affordable Internet business alliances. Just as success always does, we attracted competition. Yet, because we were first and the dominant player, the competition has yet to gain traction. The Service Roundtable owns its category.

The key to positioning a brand is to find or create differences. Think of a child’s puzzle with different shapes and matching holes. Each brand has a place, a hole to match the shape of the brand that’s unoccupied by other brands. The challenge is to find it.

**Positioning Sand**

Sand is about as basic a commodity as exists. Yet, if sand can positioned distinctly and transformed into a branded product, capable of commanding a premium price, any product or service can be branded. Here are some of the ways sand could be differentiated and branded…

- *Color* – Offer sand in specific colors or dye it for customized coloring.
• **Origin** – Pensacola Beach, Florida and parts of the Mediterranean are renowned for their pure white quartz sand. Offer pure “Pensacola Beach Sand.”

![Pensacola Beach, Florida USA is claimed to have the “world’s whitest beaches.”](image)

• **Grit** – Sand could be classified based on the level of grit or granular size. For industrial applications, higher grit might command a greater price.

• **Delivery** – Differentiate based on delivery. Sand could be made available anywhere in the world, in any quantity, within a week, or even overnight.

• **Packaging** – The sand could be packaged in bags that are more easily carried. The bags could be printed with useful information about the application of sand in construction.
• *Environment* – Bags containing sand could be made out of biodegradable material to cause less harm to the environment.

• *Recycled* – Another environmental play would be to use recycled sand.

• *Purity* – The sand could be rated on purity. The purity could come from a filtration process or a cleaning process.

• *Credit* – Sand could be offered on credit or with favorable terms if the competition demands cash on delivery.

• *Weight* – Sand could be differentiated based on its weight.

• *Cathedral, Mosque, or Synagogue Sand* – The same type of sand used in the construction of a cathedral or mosque could be branded as “Cathedral,” “Mosque,” or “Synagogue” sand. People who feel an affinity or emotional connection to the place of worship would transfer part of the feeling to buildings using the special sand. Thus, it’s possible for people to gain an emotional commitment to something as common as sand.

• *Playground Sand* – Sand could be branded specifically for applications involving children. The sand may be less abrasive or softer.

Almost any product can be differentiated and positioned uniquely. It might require product modifications. It might require changes in the intangibles behind the product (e.g., credit, warranty, delivery, engineering, technical support, etc.).
Brand Relationships

Brand relationships are the relationships between the brand and the buyer. To varying degrees, buyers connect with brands on an emotional level. The strength of this connection determines the relationship.

In the United States, Harley-Davidson motorcycle owners feel a strong emotional connection with the Harley-Davidson brand. The connection is so strong that many Harley-Davidson owners have the brand tattooed on their body.

Harley-Davidson achieved the emotional link by accident. The product was featured in the cult classic movie, *The Wild Ones*, which helped to secure a macho image for the brand. Because it is the last motorcycle manufacturer in the United States and came back from near death against Japanese competition, the Harley-Davidson brand has been blessed with an image of patriotism that Harley management has been careful to facilitate. Finally, the brand is associated with the freedom of the open road. Middle age corporate executives pay a premium over technically superior Japanese motorcycles because they want the Harley-Davidson brand and the freedom that it implies. The brand has become tied up in its customers self-esteem.

Emotional relationships somewhat depend on how strongly a buyer’s self image is connected to the brand. Personal products, such as clothing brands, fragrance brands, automotive brands, music brands, club memberships, food and beverages, sporting goods, and so on, have a greater potential for an emotional relationship.
Yet, as has been discussed earlier, companies can develop emotional relationships with the mundane as Norman Wright has done through their engineering support. Michelin is another example of a company providing a commodity product – tires, that results in an emotional connection. Michelin accomplished this by showing the tires with a baby, stressing that “so much is riding on your tires.”

Neither Norman Wright nor Michelin benefit from a self-image connection. Instead, these two brands connect through security. Norman Wright will save an engineer’s job. Michelin will save your life.

**Transferring Personal Relationships to Brands**

Contractors who buy enough furnaces and air conditioners in United States are taken on all-expense paid trips around the world. While everyone knows the trips are built into the price of the equipment the contractors purchase, it’s not obvious. On the trips contractors and their wives build personal relationships with the manufacturer executives and their wives. These relationships often get transferred to a relationship with the manufacturer’s brand.

Companies use a variety of means to build relationships with key customers. These include gifts, newsletters, user groups, factory tours, webinars, training classes, and so on.

Sometimes emotional relationships are fostered from left field. I was conducting a major brand research study for a gas utility. During one phase of the research, I was conducting focus groups with commercial property managers. These were tough as nails executives. They were brutal.
One of the property managers said something about a recipe from the utility. There was something in her voice when she mentioned it. Other participants were nodding. Recipes were not part of the discussion guide, but I probed anyway. The entire tone of the focus group changed as the participants began to relate stories about the recipes the gas utility stuffed in their residential gas bills every month. They talked about cooking classes the utility hosted. They felt a closeness and rapport with the brand.

Ironically, the head of marketing for the utility had made it his mission to get rid of the recipe. He felt it was archaic and a waste of money. After the focus group, he was slumped in his chair in the observation room shaking his head. “I’ll never be able to get rid of those recipes now,” he moaned.
Brand Culture

The IBM PC Jr is one of the great failures in branding. Blue chip IBM was known for business. IBM was a serious company. Yet, the PC Jr was launched with a Charlie Chaplin character as an educational and home computer. The frivolity didn’t match IBM’s culture and the product failed.

By contrast, Tandy launched a clone of the PC Jr. The Tandy 1000 fit the Tandy/Radio Shack culture and was successful.

Each brand has a culture. The culture reflects the company and reflects the offering. Advertising, marketing, and other actions must reflect the brand and company culture or they will not work.

In the 1980s, Lennox Industries was trying to introduce a low cost air conditioner to compete in the residential new construction market. The company was innovative and had some of the test engineering talent in the industry. Certainly Lennox had the capability to develop a low cost product and the manufacturing talent to build it, but the culture of the company was to build high-end, premium products. By the time the low cost product was designed, it had a number of features added to create points of differentiation. The product was great, but it was not longer the low cost competitor originally envisioned. Low cost products were fundamentally against the company’s culture at the time.

Any branding strategy or positioning should be tested against a company’s culture. Managers should ask if it fits. If not, start over.
Brand Identity

A brand name can be one of a brand’s greatest assets or a terrible liability. For many companies, the company brand name is more likely to be a liability than an asset. Unfortunately, many entrepreneurs fall into the trap of “ego names,” “oatmeal names,” or “initial names.”

Ego Names

Two young entrepreneurs named Bill and Dave decided they were going to start a high tech company known for quality, precision, and engineering. But what should they call it? Being algorithmically gifted (i.e., they were engineers), they figured the logical thing to do was name it after themselves, Bill and Dave. It is the classic ego name.

Is it possible to imagine buying an oscilloscope from a company named after Bill and Dave? Of course, it is. Bill and Dave chose their last names and called their company Hewlett-Packard. We grew to associate HP with quality, precision, and engineering. HP is one of the exceptions. Few brands with ego names fare as well as HP. We do not always know about brands that fail. We know more about brands that succeed. The founders of start-up enterprises look at the legendary companies named after their founders and figure, "Why not me?"

Budding entrepreneurs start their companies and call them "Joe's Plumbing" or "Wilson Flooring." They name the company after themselves as their defining legacy to the world. The problem is the name does not work for them. Unless the owner was already a well-known celebrity, the owner’s name will not help.
It does not add punch. Unfortunately, by the time most people figure out that an ego name may not be such a hot idea, it is too late to change.

Brand named after families that have built up brand equity did not do it overnight. A lot of things had to go just right merely to survive. Then, it took years to build the name; decades in some cases. For every Ford Motor Company that survived, there are many more Packards and Studebakers that did not. There is nothing wrong with a personal name per se. It is just that a personal name does not help the public understand what a brand stands for, what a product does, and what a company offers. That leads to the next problem, oatmeal names.

**Oatmeal Names**

Oatmeal brands are those that have the flavor and consistency of oatmeal. They tell little about the business or product. Ego names are by default, oatmeal names, but at least with an ego name a (misplaced) benefit of family pride is present. Oatmeal names give, well, oatmeal.

Technical companies seem to excel at the creation of oatmeal names. Oil companies have done it especially well. Think about some of them: Exxon, Shell, Chevron, Citgo. They are well known, but what the heck do they have to do with oil?

The computer industry is full of oatmeal names. What do these companies do? Cisco? Adaptec? Iomega? 3com? Gateway? You may know what they do, but you certainly cannot tell by their names.
Commodity Branding

Telecom is another great source of case studies. Look at the baby bells in the United States. By the time the Bell System was broken up, there was tremendous equity in the name "bell." Some, like BellSouth and Southwestern Bell were smart enough to retain "Bell" as part of their name. Others must have hired some high priced business name consultant. How else can you explain Verizon? After management paid Landor Associates a pile of cash to come up with Verizon, they figured it had to be good.\(^{12}\) Right?

The Bell name and logo existed for more than a century. So in a fit of executive ego, over 100 years of brand equity was swept out the door.

What brand name is stronger, U.S. West or Western Bell? If U.S. West was not bad enough, they had to morph it into Qwest. And Ameritech? I can see it now. A group of executives huddled around the conference table saying, “We're going to be an ‘American technology’ company. Why not call ourselves Ameritech?”

“Sounds good to me J.B.”

“Yes sir, brilliant choice, yes sir.”

It is a good thing the company had a monopoly and did not have to face any stiff competition. Even so, Ameritech did not survive. It became part of Southwestern Bell. Ironically, Southwestern Bell believed it was too big for its name and became SBC, which was then acquired by AT&T.

It is easy to pick on computers and telecom, but they are not unique. Just look at the energy utilities. As they headed pell mell towards deregulation, utilities underwent a mad scramble to come up with the most banal oatmeal names
imaginable. There is Cinergy. There is Entergy. Even the local rural electric co-ops are getting into the act.

Denton County Rural Electric Co-op (which admittedly is a mouthful) became CoServ. CoServ sounds more like a new type of ice cream dispenser than an electric utility. CoServ managers figured they needed a new brand to fit their ambitions of becoming not merely an electric co-op, but also a cable television company, a security system company, a telecommunications company, and a real estate loan company. Ironically, the lack of focus in their brand name actually fit the lack of business focus. They should have stuck to their mission of a customer-owned utility providing electricity at cost because as an electriccablesecuritytelecomrealestate company, they quickly got in financial trouble. Today, CoServ is a pure utility.

Some of the worst oatmeal names are the generic oatmeal names. They are generic because they use a generic name as the basis. Take "united." United… what? United Airlines? United Van Lines? United Refrigeration? United States? United Brotherhood of Teamsters?

Here is the test for an oatmeal brand name. Does the brand offer some kind of hint at what the product or company does without help? If someone were to relocate from one country to another, never having heard of the name, would the immigrant have a clue about the line of business? If not, the brand shows all of the distinguishing characteristics of oatmeal. Go ahead. Try to describe oatmeal without saying what it is not. It is… it is bland. Er, it is sorta mushy. Um, lessee see. I guess, well… it is just oatmeal.
Initial Names

At the other end of the spectrum are the company brands that get too specific. The name ends up getting truncated or reduced to a set of initials. International Business Machines may have described Tom Watson's brand perfectly, but IBM is just a set of initials, meaningless without lots of advertising. Digital Equipment Corporation became "DEC" (DEC was subsequently swallowed by Compaq, which in turn became part of Hewlett-Packard). What if they kept the brand as "Digital" or "Digital Equipment?"

Initial names are not limited to technology companies and products, though the tech sector seems to revel in its own initials. The International House of Pancakes becomes "IHOP." IHOP? As in, "I hop. You hop. We all hop?"

When a brand gets truncated down or turned into initials, the whole point of the original descriptive name is lost. The initials become oatmeal. Bland.

What a Brand Name Should Do

A good brand name should communicate something about the product, service, or business. Microsoft is one of the few computer companies with any marketing savvy, so it is not surprising that they are also one of the few companies with a good name. They started out in microcomputer software. It makes sense. It was not neutral. It did not work against them. It worked for them.
There are lots of good names. AutoNation is a great name. It communicates exactly what the company is trying to do, provide automobiles to the nation. Home Depot implies a warehouse with stuff for the home. Terminix suggests termite extermination. Toys R Us shouts toys. The Museum Company fits the products offered, which are replicas of famous museum pieces sold in museum stores. Petsmart has the double meaning of a "pet's mart" and smart items for your pet. The Container Store suggests exactly what you will find, every type, size, and shape of container imaginable. Circuit City implies products using electronic circuitry.* Play It Again Sports fits with the sale of used sporting goods.

While there are lots of bad brand names in the marketplace, there are also a number of strong ones. These are names that work in tandem with the corporate strategy and the marketing message. They fit the brand personality, brand positioning, customer relationships, and culture.

Given Enough Money Any Name Will Do

Throw enough money at a name and almost any name will do. Nike is a good example. Few people associate Nike as the Greek goddess of victory. Instead, people think of shoes, the swoosh, Michael Jordan, and Tiger Woods.

The marketing manager with an unlimited budget might want an oatmeal name because it is malleable. How much money is

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* Circuit City had a stronger name than its rival, Best Buy, but Best Buy had better managers. In a series of moves over the years, Circuit City management cut salesperson pay and dismissed the highest paid (i.e., best, most experienced) salespeople. The moves worked. Sales fell and Circuit City declared bankruptcy.
It takes lots and lots of money to generate brand awareness on a national scale. On a local level, it only takes lots.

Money is the reason why a brand name should share synergy with the mission. It is less expensive to communicate what the brand name means and represents if it works for you.

For example, if a marketer was going to launch a new air conditioning brand, YourName Air Conditioning would be the last name anyone should choose. What’s better? ComfortNation has a nice ring to it. It communicates the purpose and piggybacks on the AutoNation name to imply a certain scale.

**Brand Names Can Be Limiting**

It is tough to anticipate the future when selecting a brand name. If the direction of the company is changed, the brand can sudden shift from being an asset to a liability. Roto-Rooter has a huge amount of equity in their brand. It is synonymous with sewer and drain cleaning. Now that the company is trying to expand into full service plumbing, managers are finding the brand to be a hindrance. But Roto-Rooter is fortunate. The company has enough money to
throw around that the perception can be changed over time. Plus, plumbing is closely related to drain cleaning. For another business line, the company would be better off starting from scratch.

Brands can also limit your ability to expand geographically. Florida Heat Pump was a great brand for a start-up water source heat pump manufacturing company serving the Sunshine State. When the company wanted to expand nationwide, it took an initial name: FHP.

This is the unfortunate flipside to a great brand. It communicates what you do, limiting your ability to do something different.

Make It Easy to Pronounce and Spell

Some brand names are difficult to pronounce. How do you pronounce Xcaret Research? What about Xceedium Inc? These are real brands for real companies. Someone proudly came up with these names. Possibly the guilty party was even sober when the names were created. The question is why? Why create a company name that is impossible to pronounce?

Often, difficult to pronounce brand names are ego names. Sometimes they are not difficult to pronounce, just pronounced a variety of ways. The name, Koch, for example has six different pronunciations.

I know from personal experience that there are a half dozen ways to butcher my last name. Growing up, I never had a coach get it right the first time. Worse, if I were to pronounce for you, it is highly unlikely you would spell it correctly. You would probably come up with Michelle or Michele, not Michel.
Is The Internet Domain Name Available?

When we formed Service Nation Inc. and launched the Service Roundtable, the very first thing we did was conduct a search for the domain name. The last thing we wanted was to introduce a name without a website. With the growing popularity of the Internet, it is critical that you check on the domain name availability of any potential names.

Some people will try and find your company’s website by opening a web browser and typing www.YourCompanyName.com. Others will use a search engine, such as Google.com. If possible, try to come up with a name that will not yield millions of entries. “Quality Landscaping,” for example, results in 80,500 matches from a web search. Of these, many are not even company names, such as the “Guide to Quality Landscaping.”

When Stuck With A Bad Brand Name

Do not run out and change a bad brand name for the heck of it. Factor in the equity built up in the name. If Dad started the company and there are tens of thousands of people who recognize it by now, do not change it on a whim. There are switching costs to change a brand. Besides, bad brand names are not the end of the world. There are ways to overcome them, besides spending millions.

If created a new brand, choose with care. Once an investment has been made in a name, it becomes expensive to change. Select a name that communicates what the product, service, or company does, that fits the personality and positioning, aids the creation of relationships, and fits the culture. But also, try
to anticipate the future and select a name that offers flexibility, though take care that excessive flexibility does not end up becoming oatmeal.

**Design Logos With a Purpose**

The brand name appeals to the ear. The logo appeals to the eye. Both are important. Correctly designed, a logo adds to the power of the brand name. It gives a brand an identifiable trademark.

So what constitutes a "correctly" done logo? First, the typeface is simple. It is clean. It is bold. The typeface should help the name stand out. It should be visible from a distance. But it should also reinforce the image the brand projects.

**Selecting The Typeface**

The typeface or graphic design of the text is the first thing to consider. A luxury products company, for example, might opt for an elegant script logo. A tobacco confectioner might find the use of an Old English typeface effective. In these cases the typeface is helping to communicate. It is consistent with buyer expectations.

Depending upon the circumstances, variations and gimmicks make sense. Home Depot's use of a stencil pattern matches the do-it-yourself image of the company. The reversed "R" in Toys R Us perfectly matches the image of a merchandiser of children's toys. Though the reversed R makes perfect sense for Toys R Us, it is obviously not recommended for most companies of course. This is true for all gimmicks. They only work in specific circumstances.
For most companies, the use of script, complex typefaces, and gimmicks should be avoided. A crisp, clean, simple, and bold typeface is best. A san serif, such as helvetica or arial, generally represents an excellent choice. They reproduce well, readily scale up or down in size, and are easy to read.

**Graphics**

Many business owners find the use of some type of support graphic to be irresistible. Unless the graphic is a substitute for the name, aids in the recall or pronunciation of the name, or reinforces the unique selling proposition, it is clutter without value. This includes all graphics that have some hidden meaning that requires a decoder ring to figure out. For example, Audi's interwoven rings hold a meaning that is lost in time. Most people look at them and wonder if it might have been an early Olympic symbol. What has that got to do with cars? Nothing! The rings reflect the consolidation of four car brands.

Meaningless mystical graphics do seem to proliferate. Remember, if the eye is drawn to the graphic, the consumer is not looking at the name. The graphic darn sure better communicate something worthy if it is drawing the eye away from the name.

Consider the following fictional company logo. Some marketer might cleverly believe that the logo represents the “A” in the company name, a technician, and an aura around the tech’s head. Most people would look at it and think, “Huh?”

![Auratech Services Logo](image_url)
Small graphic touches that add visual balance and lead the eye to the name are
different. Their purpose is not to dominate, but to enhance visually. Consider
the logo below:

![Mechanical Masters Logo](image)

The graphical elements do not detract from the name, but provide a division
between Mechanical and Masters that is pleasing to the eye. Though many
may not “get it,” especially in today’s computer-aided design driven
environment, the graphic is suggestive of a t-square. The graphic design is
such that even if someone was born after the days of drafting tables and never
heard of a t-square, the graphic does not detract.

Some graphics have attained meaning and substance through decades of use.
The Mercedes Benz logo has evolved to become the essence of quality. The
Chevrolet shield is instantly recognizable, but only because of long exposure
and over a billion of dollars in advertising across the years.

Automakers, by the way, rarely offer the best examples of graphic design. The
Volkswagen VW symbol is an outstanding exception. It is simple,
recognizable, and a ready substitute for the name. On the other hand, there is
Buick. Can anyone picture Buick's symbol? Other than Buick owners, not
likely. What about Lincoln? Cadillac? Toyota? Remember, these are some of
the most visible graphics in the world. Consumers are literally exposed to them
every single day. How effective are they? Not very.
On their way to creating financial crisis, banks were expanding and trying to become retail oriented. Sooner or later, a high priced agency or an image consultant got to a bank decision maker who had lots of financial expertise, but little marketing savvy. The result is something like the Bank of America symbol. Can anyone picture it? What about Chase? Contrast these with the large number 1, used by Bank One. It was a little bland, but at least it reinforced and supported the name. People still remember it, even though Chase acquired Bank One and supplanted its name with Chase.

Of course when it comes to the world of brainless marketing, technology companies are unsurpassed. Try to visualize the graphics for Sprint. What about Ericsson? Lucent? What do the logos mean? Not only are the graphics for these companies unmemorable, they are undecipherable. There is certainly some underlying meaning behind the graphics, but who can figure it out by looking?

In contrast, note the difference in the logo of a good marketer in the technology world. Microsoft's corporate logo is clean, simple, and bold. Their graphics for their Windows product literally suggests the name.

**Good Graphics**

While Shell Oil may not be the best name. Shell has one of the best graphics around. The shell symbol is literally a substitution for the name. Other companies use graphics in a similar manner. Examples include Target, Apple Computer, Chili's restaurant, Domino's Pizza, Jaguar, and the Ralph Lauren Polo brand. You can probably visualize the graphic because it is a direct substitute for the name. The brain associates them, which is evidence of good design.
Graphics can be used effectively to communicate something about the products or services provided. The torn off movie stub surrounding the Blockbuster name is an excellent example. The Burger King logo, with the words in red surrounded by a bun would communicate to an illiterate that this is a place for hamburgers.

Other graphics support the unique selling proposition. Though it is too busy and complicated, the Morton Salt graphic of the girl carrying an umbrella while pouring a trail of salt is a visual way of saying, "When it rains, it pours." Better, is Best Buy's price tag. Surrounding the name, "Best Buy," the price tag graphic supports the unique selling proposition of good deals.

The clock graphic in the logo below detracts slightly from the company name, but in a way that serves to reinforce the company name and possibly, its unique selling proposition if it is related to on-time design services.

Maxrohr, a small publishing and business training company uses a roaring lion graphic. Though the graphic is not a substitute for the name, nor a support for the company's unique selling proposition, it is an effective use of graphic design. The roaring lion helps one figure out the pronunciation of the name, while making it more memorable. Somehow it works.

While the graphic in the following logo clearly overpowers the company name, the graphic practically screams the name. If widely used over time, the graphic will become synonymous with the name.
What About The Nike Swoosh?

If there was ever an exception to the rule, it would seem to be the shoe companies. There is the Nike swoosh, the Puma upside down swoosh, the three stripes of Adidas, and the… whatever the heck it is that Reebok uses. Actually, all the shoe companies prove is that with enough money, meaning can be given to anything. With enough money, it’s possible to "just do it."

It is a mystery why so many companies seem to go out of their way to confuse the consumer. Holiday Inn started using a pinwheel symbol, which I guess is indicative of the sun. Why not use a graphic more directly related to their position or industry? Budget Rent-A-Car uses an obscure graphic that has nothing to do with saving money (which the name implies). It took me years to see it, but I finally figured out that the graphic is supposed to represent the open road.

Stick With It

Make the effort to get it right from the start. Because once you pick a logo, try to stick with it. Modernize it over time, but make changes slowly and gradually. One of the best examples of gradual change is in the world of
sports. Love them or hate them, the Dallas Cowboys have one of the most recognized sports graphics in the world, if not the most recognized. The Cowboys are the most valuable brand in professional football and the world of sports, ahead of the Washington Redskins and Manchester United.13

Most people do not realize, however, that the famous Cowboys blue star has undergone a number of revisions. Cowboys General Manager Tex Schram knew he had a winner. While he often tweaked the logo, he never allowed radical changes. When Jerry Jones bought the team from Bum Bright and named himself as General Manager, he was smart enough to continue that tradition. Changes are slight and the identity remains.

**Graphics and Typeface**

When designing or redesigning a logo, instruct the graphics artist to use a clean, crisp typeface. Any supporting graphics should indeed be supporting of the brand name or of the unique selling proposition. Keep the graphics as simple as possible. Not only are simple graphics easier to recognize, easier to see from a distance, and easier to reproduce, they offer an element of timelessness. If you do make slight changes to your logo and graphics, make them minor. Preserve continuity.

Some companies open up the design of a logo to the world at large, by having a contest and awarding prize money to the winner. This has the added benefit of generating publicity. The contest itself is newsworthy. So is the announcement of the winner. You can probably get a reproduction of the winning entry printed in the local paper, generating enough free exposure to equal or exceed the cost of the prize. NBC used this approach at one time. The Texas Lottery selected its logo through a state-wide contest.
It is important to communicate logo objectives to the designer. Describe the image the logo should portray and how the logo will be used. The better things are explained, the better the designer will be able to create something that will enhance the brand value for years.

**With a Weak Name, Get a Great Slogan**

If stuck with an oatmeal name (i.e., bland and meaningless) that is too expensive or risky to change, do the same thing done with a noun that is not adequately descriptive. Provide a modifier.

A "man" offers little in the way of a description. A "tall man" tells more. A "tall, dark man" is more descriptive. A "tall, dark, handsome man" is even more descriptive. A variation on this approach will work for a brand by using a slogan.

Companies have been using slogans or "tag lines" for decades. The best are the same as a company's unique selling proposition (USP). They promote the company's key competitive advantage. They differentiate. They identify a position.

In the ideal world, the brand name incorporates the USP. In the real world, this is not always possible. The name might be a legacy of the past. It might have started out with an ego name (i.e., named after the founder).

Take a company name that is an ego name or a generic name, like "Ross." The name identifies nothing about your brand. Unfortunately, lots of money has been invested in signage, legalities, and so on. An established customer base buys from the company and knows the brand as Ross. It would be foolish to change the brand name. Yet, something is needed to better identifies the brand.
The solution that discount clothier, Ross, used was to add “Dress For Less” beside and slightly subordinate to the Ross name. Brilliant. “Dress For Less” gives information about what to expect from Ross. It communicates the brand position in an understandable, relevant way, rolled into a concise, catchy, memorable, three-word tag line.

Many companies have built great brands with mediocre names, but terrific slogans. In 1975, advertising great David Ogilvy developed “Don't leave home without it” for American Express. The implication was the American Express card is an essential accouterment for travelers.

Federal Express built its brand around the slogan, "When it absolutely, positively has to be there overnight." It is the essence of the Fed Ex promise. When Fed Ex wanted to emphasize its global capabilities, the company changed the slogan to, “The world, on time.” To me, this is less powerful than their original slogan, but it does emphasize the worldwide delivery ability.

Timex identified its products with the line, "It takes a licking and keeps on ticking." Typically, this was introduced after some miraculous story, such as a Timex watch found by a fisherman in the belly of his catch. The fisherman cleans the entrails off the watch, winds it, and son of a gun, it works! Timex equaled reliability.

**Characteristics of Good Slogans**

There are many examples of outstanding slogans that define a brand and suggest what the prospect might expect…

- 7-Up: “The Uncola”
• All State: “You're In Good Hands With All State”

• BMW: “The Ultimate Driving Machine”

• Chuck E. Cheese: “Where A Kid Can Be A Kid”

• John Deere: “Nothing Runs Like A Deere”

• Lexus: “The Relentless Pursuit Of Perfection”

• Maxwell House: “Good to the Last Drop”

• Miller Lite: “Everything You Always Wanted From A Beer, And Less”

• Morton Salt: “When It Rains, It Pours”

• Prudential: “Get A Piece Of The Rock”

• Wheaties: “Breakfast of Champions”

These examples are characterized by most, if not all of the rules of good slogan design...

• They provide information to the prospect about the company, brand, or product.

• They are believable.

• They suggest a product or brand position.
• They are easy to understand.

• They are relevant to the brand and/or category.

• They are memorable.

• They are stable over time.

It is no coincidence that most of the companies with good slogans seem to have lousy names. The slogan adds needed clarity where the name does not. Best Buy and Toys R Us, for example, do not have the pressing need to supplement their names with a slogan or USP. This purpose is already served by their brand names.

Now, consider some taglines that violate most or all of principles of good slogan design. Outback Steakhouse is a terrific restaurant. Good food. Great service. Fair ambience. But how did the, “No Rules, Just Right” campaign help customers understand anything about the restaurant? No one could figure it out. It seems that it is one of those slogans where the attempt is to appear “hip” and “with it.” Instead, it is cryptic and meaningless. It does not enlighten. It confuses. It seems like a message targeting Gen Xers or Gen Y, which if true, showed management confusion. The bulk of Outback's clientele has never been 20-Somethings.

The height of confused sloganeering was the "UBU" slogan. What the heck was that supposed to mean? This is copycat marketing at its worst. Hey, see what is happened to Nike with "Just Do It." They are making a fortune. I bet we can be more cryptic than that!
Of course, they forgot to factor in Michael Jordan in his prime and several hundred million per year of advertising spending. With resources like that, Nike could have made “Huh?” into a winner.

“Just Do It” was not a true slogan per se. It was inextricably tied to visual imagery. In the end, “Just Do It” was not positioning for Nike, but for the customer. It is the same as showing slim people eating diet food. The suggestion is that you will look like this if you buy our product. It is a time tested, valid approach. “UBU” however… Well, what was it? Apparently no one outside of Madison Avenue was able to figure it out either. Fortunately, it is long gone and is not likely to ever clutter the airwaves again.

“Coke Is It” was another meaningless slogan. It is what? It? It, what? What is “it?” Of course, with any slogan developed by the marketing geniuses from Atlanta (whose product and legacy brand allegiance allows them to do wonderfully well by doing very little, though they cannot seem to figure that out; witness “New Coke”), just wait and it will change.

“Coke Is It” did change. This was a good move. But why Coke changed some of the company's other slogans/USPs remains a mystery. "The Real Thing" was the perfect message for Coke, in its battle with Pepsi. Coke is the “real” cola. Pepsi is not. Great message. Why change it? But then, why change the formula?

One of the more inane slogans to come along recently was “People Do.” Does this provide information? Does it communicate a brand or product position? Is it easy to understand? Is it relevant to the brand? Is it memorable? It was the primary theme of a petroleum company's ad campaign, supported by millions of dollars.
A few years ago Honda ran a slogan called, “The power of dreams.” Honda makes fine cars. I have owned several in my life. But do the marketing wizards in the Honda puzzle palace really think people dream of owning a Honda? This is almost as bad as a bathroom fixture manufacturer promoting “the toilet of your dreams.” Uh, no. This would be inconsistent with the product category, just like Honda’s slogan is inconsistent with the Honda brand.

Oatmeal Slogans

Just like companies have oatmeal names, companies come up with oatmeal slogans. Few are better at it than Circuit City. The electronics retailer has subsequently used, “Price, selection, service,” “Imagine that,” and “We’re with you.” Yawn. Not a single respondent recognized Circuit City’s slogan in a survey of the slogans for the 22 most heavily marketing brands in America. Big surprise, huh? It just shows that a good brand, combined with bad marketing, and green eye shades managers who fire the top producing salespeople is a recipe for bankruptcy.

Even good marketers can botch the slogan. Look at Microsoft. “Where do you want to go today?” was not one of the software giant's better marketing initiatives. Of course, they are probably hesitant to reveal too much in their slogan. “Total Global Domination” probably would not sit too well with Justice Department investigators.

If saddled with an unclear brand name, consider adding a slogan. For the best effect, make sure the slogan provides information where there is none, communicates a brand or product position, is easy to understand, is relevant, is believable, and is memorable. It is a tall order. It is not easy. So for gosh sakes, once you get it, do not change it. Stay with it… for years, decades.
Brand Delivery

Great branding will fail if the company cannot live up to the brand promise. The branding of an airline won’t matter if the planes fail to arrive on time with the luggage. The branding of building products won’t matter if the material arrives late, damaged, or cracks after the first freeze.

Every touch point with the customer is an aspect of branding. Every time the customer sees a brand, encounters an employee, reads an ad, enters a building, visits a brand website, receives an invoice, and otherwise comes into contact with the company, brand, employees, and product, the brand is built up a little or torn down a little. Unfortunately, years of brand building can be destroyed in seconds.

Building a brand can be a little like stacking the wooden blocks in a game of Jenga®. The blocks are carefully stacked, but once someone pulls out the wrong block at the wrong time, the entire stack comes crashing down.

Every year, if not more often, a brand manager should audit all customer touchpoints. Look at the brand experience from the customer’s eyes. What happens when a customer tries to find a phone number? What happens when the number is called?

What does the paperwork and supporting collateral material look like? Is it understandable?

What happens when things go wrong? Is there a service recovery procedure in place?
How good is the quality? Does the company meet the promise?

Answering these questions is far more difficult than it seems at first blush. When I navigate my company’s website, it seems extremely intuitive. We’ve hired expensive consultants to help make it intuitive. The content search functions are as easy to use as any search engine. Yet, we hear from users now and then that they have a lot of difficulty finding things.

The problem is we look at the site from the perspective of experienced computer users. Moreover, we’re experienced with our website. We’ve got to remember that some of our customers are contractors who use the two-finger hunt and peck typing method. They’re comfortable with tools, not computers. The challenge for us is to get inside the head of these users, view the brand experience as they view it, and redesign. We’re also investing in “high touch,” calling new users, offering one-on-one website tours and training, and so on.
Brand Pitfalls

Even great brands get in trouble. Usually, it’s self-inflicted. But not always. Here are nine common brand pitfalls. Some are self-inflicted. Some are not.

Pitfall 1: Change the Brand or Logo

The hardest thing to do is leave a successful brand alone. Marketers want to leave their mark on a brand. They want to twist and tweak. They want to muddle.

Don’t!

Company executives are the first people to become bored by their marketing. The executives see the marketing constantly. They live with it. They think it’s tired. Yet the public hasn’t even had time to notice the company’s marketing.

David D’Alessandro, the CEO of John Hancock Insurance was horrified by the decision of a predecessor to drop the famed John Hancock signature as a company logo to replace it with more modern appearing block letters. The John Hancock signature has been famous since 1776 when Hancock penned it on the Declaration of Independence. Why drop it?

Pitfall 2: Line Extension

Lite Beer From Miller (i.e., Miller Lite) was an incredibly successful product. It created an entirely new category. Yet, it was an extension of the Miller
brand. Its success came at Miller’s expense. Today the Miller Lite brand continues strong while the Miller brand is practically non-existent.

When the Service Roundtable created a new contractor alliance to help air conditioning contractors brand their products it was not “Service Roundtable Self Branding.” We launched an entirely new brand, named the Retail Contractor Coalition. There is no doubt the Retail Contractor Coalition would have launched faster if launched under a Service Roundtable brand. However, it would have detracted from the Service Roundtable brand. It would have confused the market about the Service Roundtable.

When Apple launched a portable music player, it wasn’t called the Apple Music Player. Apple called it the iPod, giving it a separate brand and identity. Ironically, the iPod brand has become Apple’s strongest product brand, boosting the parent brand and pulling along the company’s computers.

If there’s any doubt about line extensions, P&G should settle the argument. Many marketing professionals consider Proctor & Gamble to be the best marketing company in the world. P&G does not market the P&G name. The company avoids line extensions, creating brands that compete with each other.

When companies line extend, managers tend to look at the success of the line extension and pat each other on the back. Seldom does anyone count the costs of the line extension to the legacy brand.

**Pitfall 3: Lose Focus**

A common term in the telecommunications and technology community is ARPU. ARPU means “average revenue per user.” In telecom especially, there is an intense focus on ARPU. As a result, managers look for new products and
services to sell to increase ARPU. As the portfolio expands, the focus blurs. Companies become jacks of all trades and masters of none.

At Titus, we dominated the world in VAV terminals, grilles, registers, and diffusers. Before I joined the company, someone decided to add commercial air handlers and direct digital controls (DDC). Depending on who tells the story, the new businesses were either mistakes or disasters. They lost money and took management focus away from the core business. Shortly after I joined the company we exited the air handler business. DDC remained.

To show that no good deed goes unpunished, I was given additional responsibility for DDC after I turned around the terminal unit business. Fortunately, the business included a crack manager, Bill Krueger and sales executive Paul Robinson. Bill and Paul knew how to make the business profitable as long as they were left alone to “focus,” which allowed me to focus on the terminal business. Together, Bill and Paul made DDC profitable and liquidated a warehouse full of inventory weighing down the balance sheet. After that, Titus quietly exited the DDC business. The key was leaving Bill and Paul free to focus on DDC (and myself free to focus on my core business).

Today, Starbucks is busy trying to sell everything from music to oatmeal. The more the company tries to become a deli, the less it resembles the café that attracted a cult-like following.

**Pitfall 4: Going Global With a Local Brand**

If a company wants to take a brand global, it should ensure the brand will work in other countries. If not, launch a new brand.
When Control Data attempted to launch in Japan, the division managers had everything translated into Japanese. Carrying their paperwork and army of personnel to Tokyo, the Control Data people ran into a seemingly endless series of bureaucratic delays. It turns out the Japanese were not about to allow Control Data to launch with their Japanese translated name, but were too polite to tell the Control Data people what the translation meant. Control Data was translated more or less into “We give Gonorrhea.”

It’s not just the brand that merits concern, but also the tagline as the following table shows. There’s no substitute for local expertise when crossing language or cultural barriers.

<table>
<thead>
<tr>
<th>Company</th>
<th>Tagline</th>
<th>Translated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coors</td>
<td>“Turn it loose.”</td>
<td>“Suffer from diarrhea.” (Spanish)</td>
</tr>
<tr>
<td>Pepsi</td>
<td>“Come alive with the Pepsi generation.”</td>
<td>“Pepsi brings your ancestors back from the grave.” (Chinese)</td>
</tr>
<tr>
<td>Perdue</td>
<td>“It takes a strong man to make a tender chicken.”</td>
<td>“It takes an aroused man to make a chicken affectionate.” (Spanish)</td>
</tr>
</tbody>
</table>

**Pitfall 5: Using a Different URL Than Your Brand**

Finding open website addresses is a problem. The cost to buy and hold a URL (uniform resource locator, or website address) is inexpensive. As a result, squatters have purchased a myriad of names and name combinations. The squatters sit on the names waiting for a marketer who will pay the squatter’s ransom to acquire the address. At some point the Internet community must address this issue. In the meantime, it makes life more challenging for marketers.
Given the importance of the Internet, it is essential that a website address matches the brand name. The Retail Contractor Coalition was not our first choice as a name. However, ContractorCoalition.com was available as a URL.

When we were building a customer satisfaction system, our first choice was RateOurService.com. It was taken. The second choice was RateMyService.com. It was taken. After hours of searching, we grabbed ServiceRating.com, which everyone ultimately likes better.

Unfortunately, there’s no substitute for trying different combinations and creative spellings until you find a URL that can work as a brand. You do not want something completely unrelated like A.O. Smith Water Products chose. The company’s website is not aosmith.com, but HotWater.com.

**Pitfall 6: Copying**

The first brand to create a category tends to dominate the category unless the managers make a mistake (or series of mistakes). Taking on an established category leader is an uphill battle. It’s like trying to dislodge a secure peg from its hole. Why not find an open hole?

Rather than copy a competitor, outflank the competitor with a distinctively different brand position. If possible, create an entirely category.

**Pitfall 7: Trying to Control Everything**

When I worked as an engineer in the corporate offices of Lennox Industries, the editor of a semiconductor magazine wanted to quote me in an editorial on
manufacturing automation (I was head of Lennox’ factory automation and had just presented a paper at the Robots 10 Conference). Lennox’ corporate public relations department exerted such tight control over every word that the magazine editor was ready to punt. After all, he had a deadline.

Mine was the common experience in the past. Corporations exerted big brother control over all messages and the brand. The Internet changed the equation.

With the Internet, rumors spread with the speed of light. Employees add their views in anonymity. It’s no longer possible to control the message. Trying to control the message fails. It merely suppresses the message and hurts the brand.

Managers can control how the brand is presented, but not what customers say about it. Let employees engage customers in online forums. Let them blog. Let them put a human face on the brand and company, accepting that mistakes will be made from time to time, but overall the brand is helped more than hindered when companies attempt to influence, but not control the message.

**Pitfall 8: Failing to Monitor**

Someone in every organization – preferably the brand manager – should be responsible for monitoring online buzz about the brand. Using Google news feeds, it’s easy to note what’s being published. The harder task is visiting the popular message boards and searching for references to the brand.

What’s the buzz? Is it positive? Negative? Is it taking the brand in unanticipated directions? Is the brand considered up and coming? Hip? Or tired?
Pitfall 9: Failing to Respond Fast

Sometimes things go wrong. Someone in the company screws up. Disaster strikes. Usually, the attorneys swoop in and warn everyone not to say anything for fear of future liability. The bean counters run a cost/benefit analysis of denying the problem versus admitting it and solving it. In the short term stalling and obfuscation appear less expensive. They’re not.

Do not let the attorneys and bean counters call the shots. They mean well, but operate from a narrow perspective. Their primary concern is fear of loss. In truth, the greatest loss is potential damage done to the brand, to the customer, to the customer’s trust, and to the brand’s long-term reputation.

The Internet empowers too many people with information. When problems arise, word of them emerges. If the company doesn’t share the truth, people will manufacturer their version of the truth. Manufactured truth is always worse than reality. Nature abhors a vacuum.

Tell people what is known, what is not known, when more will be known, and what actions the company will take. Don’t wait to communicate. Share information immediately, even if there’s not much to share. Fill in the rest when possible.

Do the right thing for employees and customers; and customers and employees will do the right thing for the brand.
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About The Author

Matt Michel is CEO & President of the Service Roundtable, the USA’s largest private contractor group, which he started in 2002. The Service Roundtable (www.ServiceRoundtable.com) uses the Internet to cost effectively deliver a wide variety of sales, marketing and business tools to contractors for an affordable price.

Before launching the Service Roundtable, Matt was a Vice President with the marketing research and marketing consulting firm, Decision Analyst, Inc. Prior to joining Decision Analyst, Matt started a national service franchise organization from scratch, growing the business to 65 locations and a #233 ranking in Entrepreneur Magazine’s “Franchise 500.”

Matt began his career with the Turbo Refrigerating Company as a project engineer. He held numerous engineering and marketing positions with Lennox Industries, Inc., and was responsible for Lennox’ marketing west of the Rockies. Matt also ran the Air Terminal and Direct Digital Controls business units of Titus, increasing share by nearly ten full points and raising Titus to the world leader in air terminal shipments.

Matt is an award winning motivational speaker and writer. He developed the primary marketing system in use by five national franchise organizations. He writes “The Rant,” a bi-monthly column for Contracting Business magazine, where he serves as a member of their Editorial Advisory Board.

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