



The Role of Branding, Part I: What Is Branding and Is It Really Necessary?

"A brand is a living entity, and it is enriched or undermined cumulatively over time, the product of a thousand small gestures."

– Michael Eisner, former CEO of The Walt Disney Company

Do you want your customers to choose your product over others, recommend your company through word of mouth, and return for another purchase? If you're in business, of course you do. But to attain this level of customer loyalty, your company must invest in branding.

Just what is branding?

Defining Branding

A brand is much more than a snazzy logo, letterhead and product name. It is the whole experience of your product and company in the minds of your customers. Effective brands share three characteristics: they are consistent, they create an emotional connection, and they differentiate themselves effectively from the competition.

An effective brand is consistent

Strong brands create consistent associations for customers. Think of Disney and your brand associations probably include quality, fun, family and fantasy. From the "Underdog" movie to the Nemo attraction, every detail of the Disney experience is carefully choreographed to reinforce the same brand message. And the "small gestures" of branding that Michael Eisner referred to in the quote above can even bridge sales and marketing channels or the online and offline worlds: Book a Disney vacation on the Web and your child receives a complimentary phone call from Goofy, Mickey or Minnie.

An effective brand creates an emotional connection

Research has long shown that consumers make purchasing decisions based on emotion. They may back up their gut instincts with some disciplined research on Amazon, Consumer Reports or real estate Web sites, but it is that initial thrill of, "This vacation home really reflects my style!" that spurs engagement with a successful brand.

An effective brand differentiates itself from the competition

You might want your brand to become universally recognized around the globe – visualize Coke – but to get there, your brand must have a personality that is all its own, separate from the competition in your industry. For example, Fairmont and Ritz-Carlton properties are similar, but in the minds of guests, the Fairmont tends to represent luxurious appointments (such as marble floors and gold-plated faucets) while the Ritz-Carlton is more known for outstanding customer service, especially for longtime guests.

How Branding Fits into Overall Marketing Efforts

As you can see, branding is more than just advertising. Visualize your brand as an umbrella that encompasses all aspects of your business as seen from the customer's point of view: advertising, marketing communications, public relations, promotions, product experiences, and customer service.

Describe your brand

Because branding is so central to the success of your business, your brand should guide your marketing efforts. Identify the niche your brand fills, describe your brand's personality, and let that differentiation define the tone, look and feel of all marketing products, projects and campaigns.

Understand your target market

To really dial in your brand to your prospective and current customers, you need to know as much about them as possible. Say you are planning to develop a new project at a top winter resort destination. What are your customers' median ages and incomes? Who is the decision maker when it comes to buying big-ticket items? What magazines do your customers read? How many vacation homes do they have? What are their most common professions and hobbies? What cities do they routinely fly in from? What emotional needs do they have for their stage in life? How many people will they bring with them to the destination on average?

Develop your brand name and logo

To many business owners, this step seems simple – come up with a few words on a restaurant napkin, choose a stock logo from Microsoft Publisher, and you're good to go, right? Wrong.

A poorly chosen name, logo or name-logo mix can heavily influence the marketability of a company, especially one that deals directly with consumers. Logos are one of the most recognizable features of a brand. From McDonald's golden arches to Apple's bitten fruit, your logo should be simple and powerful. A logo's shape and color infer immediate emotional associations.

Hopefully your brand name and logo will align perfectly; picture Nike, named for the winged Greek goddess of victory, and Nike's distinctive, wing-like swoosh logo. But what if you're locked into an outdated or dull brand name? Even then, a carefully planned logo can save the day. Think of the Aflac duck – that determined white fowl has single-wingedly delivered national recognition and the value of dedication to a decidedly unappealing brand name, American Family Life Assurance of Columbus.

Present your brand to the consumer

Now it's time to share your brand with your customers. Marketing presents your brand through all media options: packaging, direct mail, advertising, online search, public relations placements in newspapers and magazines, merchandise and more.

The Value of Branding

Branding provides different values for consumers and companies.

Promise of value to customers

Marketing research shows that brands live in the memories of consumers, linked by emotional association. Consumers see brands as a way to define for themselves and convey to others their status, values and personality. Brands also function as a kind of purchasing shorthand in a busy world, making decisions easier because they can be based on past experiences and cultural brand equity.

For example, if you had five minutes to run into the store and grab a bottle of wine on your way to dinner at your in-laws' house, you probably wouldn't choose the Charles Shaw "Two-Buck Chuck" for your father-in-law's discriminating palate, even if it was recently judged the best chardonnay in California. You'd probably spend more on a wine that implies exclusivity.

Value for companies

Branding builds value for companies. Once you have delivered on the promise of your brand to consumers and they have had the chance to develop a relationship with your brand, the inherent worth of your product rises and you can increase revenue. According to brand expert Brad VanAuken, strong brands decrease price sensitivity, increase customer loyalty, expand possibilities for future growth, and increase market share.

Continually revisiting your brand

Branding is about developing a relationship with your customers; it is a long-term investment. Relationships take time, after all. The constant, consistent application of your branding identity to your marketing efforts will pay off.

Branding is increasingly taking a central role in marketing and also in business operations because it provides an avenue for examining all aspects of a business from the outside in, through the customer. Whether your company sells to other businesses or to consumers, branding has value and is necessary.

The growth of your business depends on your ability to fulfill the promise of your brand for your customers. For this reason, it is important to continually revisit your brand through the years as the influences of the outside world change, your business changes, and your customers change. You will likely need to update or modify your brand or product to remain relevant and sought-after.

In the next article, we'll examine the elements needed to successfully develop your brand.

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Branding Part Two