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Getting the Most Out of Your Branding Effort

By June Lee Risser and Erich Joachimsthaler

“There is nothing more wasteful than building a brand around an empty promise.”

David A. Aaker
Professor Emeritus, University of California at Berkeley

When companies make an investment to build strong brands, they often launch strategic initiatives to define their brand strategy, organize brand portfolios, create new visual identities and execute brand-building programs.

While the brand-building programs may already be implemented and even show some encouraging signs of changing the image, the larger promises of the brand strategy often remain elusive. These promises include:

- Energizing and inspiring employees to change behaviors to deliver the brand's promise
- Making executives and employees work effectively beyond their own culture (in cases of a merger, acquisition, alliance or joint venture)
- Establishing a stronger sense of purpose and a shared sense of direction (in the case of a large, global company that is otherwise organized as a federation of autonomous, individual businesses)

At VIVALDI BRAND LEADERSHIP, we believe the problem lies in the fact that most brand strategies end with a communications effort.

How a New Internal Communications Program Can Get Lost in the Clutter:

- The total amount of communication going to an employee in three months = **2,300,000 words or numbers**
- The typical communication of a vital strategic initiative over a period of three months = **13,400 words or numbers** (that is, the equivalent of one 30-minute speech, one hour-long meeting, one 600-word article in the firm's newspaper, and one 2,000-word memo)
- **13,400/2,300,000 = .0058** The new vital strategic initiative captures only .58 percent share of employee attention

SOURCE: John Kotter, *Leading Change* (1996), Boston, Harvard Business School Press

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VIVALDI BRAND LEADERSHIP recently completed a five-year research study that demonstrates the full value of a brand strategy.

Our study of 150 of the world's leading companies shows that brand leaders - companies with high brand ratings with consumers and high ratings on characteristics of the operating state by employees and executives - outperform the S&P Index significantly. Market leaders - those with high brand ratings with consumers but not with employees and executives, do not perform as well.

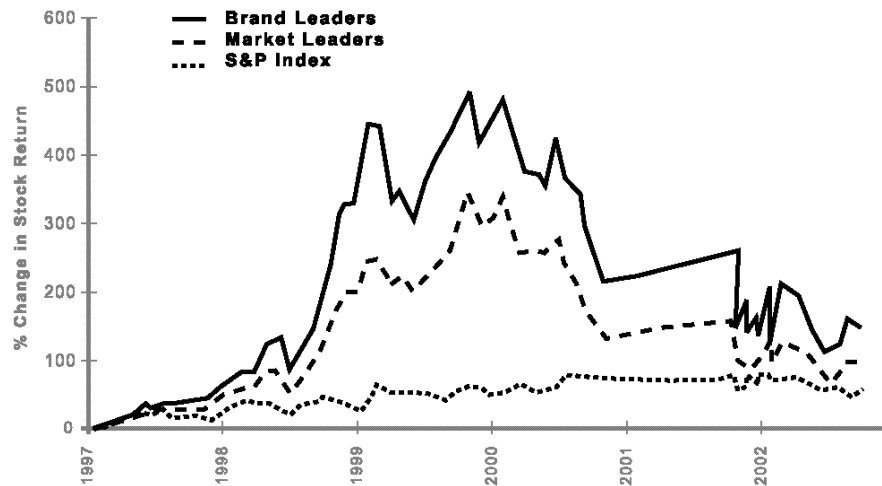
On average, the stock return of brand leaders is 320% higher than that of the returns of the S&P 500 companies. Market leaders only return on average 170% more than the S&P Index over the five year period ending in April 2002.

Our research also shows that brand leaders are able to anticipate and respond more quickly to economic growth, and are also more resilient during periods of economic decline. Brand leaders can cope more effectively with change by adapting to new acquisitions, for example, and have a higher chance of achieving leadership positions in new markets.

Separating Brand Leaders From the Rest

What separates brand leaders from the rest is the extent to which a set of brand-based internal initiatives and programs have impacted the operating state of the organization as a whole. Brand leaders have high scores on culture dimensions such as agility, nimbleness, and innovativeness. They score high on their capability to effectively display corporate assets and the depth and the quality of employees, management and leadership.

Brand and Market Leaders vs. S&P Index 1997 - 2002



“Don’t end your branding efforts with just a communications campaign. Brand leaders go beyond that by managing and leading change of the organization from the brand strategy.”

Brand leaders have developed comprehensive and powerful brand strategy-led programs targeted at internal stakeholders such as senior executives and employees. The programs range from major executive education efforts to change management initiatives and include different methodologies, in addition to communications.

Our research leads us to a single overriding conclusion: Don’t end your branding efforts with just a communications campaign. Brand leaders go beyond that by managing and leading the change of the organization from the brand strategy.

So how do you get started?

The Gap

After developing the brand strategy, establish baseline measurements of the current operating state of the company including systems, processes, programs, leadership, culture and values that affect senior executives, managers and employees. Establishing the gap between the brand strategy or aspirations and the actual state of operations demonstrates the need for change.

Driving Idea

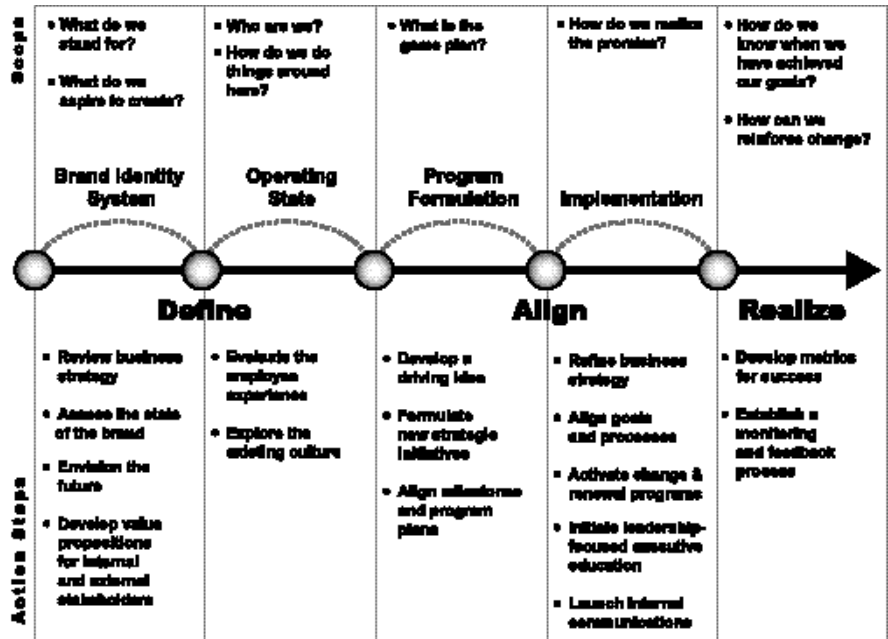
Next define a driving idea, a concept that can drive all company-wide efforts. At Shell, the company’s team approach was a key success factor for realizing its brand promise. This insight became the driving idea of a series of "Count on Shell" programs - internal programs to change the way the people worked with each other.¹

¹ Oechsle, S. and T. Henderson (2000), "Identity: An Exploration into Purpose and Principles at Shell," Corporate Reputation Reviews, 3(1) 75-7.

Implementation

Based on these inputs, the necessary set of internal strategic initiatives and programs can be defined. There are three brand-building efforts that create involvement and engagement of internal stakeholders with the brand strategy: First are change programs to close the gap between the aspiration and the current state of the company. Often these programs are tied to the achievement of specific business-unit goals. Second are executive education and leadership development programs. Third is internal communications.

VIVALDI BRAND LEADERSHIP Change Model



“There are three brand-building efforts that create involvement and engagement of internal stakeholders with the brand strategy: change programs, executive education and leadership development programs and internal communications.”

Realizing the full benefits of the brand strategy requires a multi-dimensional approach. While this is more challenging than focusing solely on communications, this will transform your company into a true brand leader.

Guiding Principles

From our experience with brand leaders in diverse industries, we have identified the following principles that should be followed for your branding efforts to be successful:

1. Quantify the business case. Most brand-building efforts do not build a compelling case for change inside the organization. First, build a fact-based business case for change. Survey employees to assess comprehensively the operating state of your company, division or business unit. Assess the response of employees to a change effort. How much does it take to create a profound change? Where is it needed most? An effective approach is to segment employees on the basis of their response to a change effort.

2. Link the business case to your business strategy. Make your case by analyzing the changing industry structure and configuration. Review trends in customer dynamics and behavior. Define the changing role of your company in the context of the ongoing industry transformation. Develop a clear point of view from the outset so that all employees can rally around a common purpose.

3. Define the brand identity. Many change efforts are initiated by announcing some visionary and lofty goals of integration, synergy and future growth intended as a result of a merger, spin-off, joint venture or alliance. That is the problem! A change effort should be built around outside influences, either market or competition, that require an intense and profound internal change. Change needs to focus on the soul of the company.

Brand identity defines the soul of a brand whether it concerns a company, a division, business unit or product. Therefore, it is necessary to clearly define the brand identity or identities residing within a company, then to use the identity as a means of focus, direction, motivation and inspiration.

4. Integrate the initiatives into your organization's daily life. The challenge in realizing the full benefits of a branding program is to rock the boat enough that it generates involvement and engagement among employees, yet avoids driving your organization crazy.

To help ensure the success of your branding effort, link it to an existing strategic initiative. If there is an operational excellence program under way, use the brand identity to shape the nature and scope of the excellence program.

5. Communicate out of reality rather than into reality. Avoid the expensive communications launch that is often recommended. Don't send your employees a video of the new desired image of the company or visuals from the new advertising campaign.

Instead, achieve some "wins" and talk about them. Work through a division or even smaller unit of the organization and provide some demonstrable proof that the branding program is successful. Include communications about it in regular company affairs - the annual meeting, the management congress and sales meetings. ■

About the Authors

Erich Joachimsthaler, CEO of VIVALDI BRAND LEADERSHIP and a published thought leader on global brand strategy, consults on marketing and brand strategy to leading companies around the world. Erich is the author of more than 40 articles and case studies in leading academic and business journals. A sought-after speaker, Erich conducts executive-level conferences and workshops around the world in English, German and Spanish.

June Lee Risser, a Director in the New York office of VIVALDI BRAND LEADERSHIP, brings a combination of business strategy experience and marketing strategy expertise to help clients across a wide range of industries build strong brands. Her brand strategy expertise focuses on developing innovative brand-building programs for employees.

About VIVALDI BRAND LEADERSHIP

VIVALDI BRAND LEADERSHIP is part of VIVALDI STRATEGY PARTNERS, a strategic consulting firm dedicated to leveraging brand- and customer-based assets for meeting its clients' growth and market objectives. Founded by Erich Joachimsthaler, Ph.D., co-author of "Brand Leadership" with David A. Aaker, VIVALDI BRAND LEADERSHIP works closely with executives at many of the world's leading companies.

VIVALDI BRAND LEADERSHIP focuses on building strong brands for clients. When helping clients to implement brand strategy, VIVALDI BRAND LEADERSHIP frequently collaborates with two affiliated companies: VIVALDI CHANGE LEADERS which adds organizational change and renewal capabilities, and The E-Edge Company which provides business strategy formulation and executive education expertise.

For more information about VIVALDI BRAND LEADERSHIP visit www.vivaldibrandleadership.com

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