

Branding Trends

The wonderful world of branding is seeing change in two areas, research and management. Research has been developing like crazy in the past decade, and so much of it is relevant to branding. But most can be summed up with this statement: we do not do what we say we do. The response has been to develop new research methods. Brand management has been influenced most by technology, providing new ways to interact with clients. Digital marketing is becoming increasingly important. Colleges are creating their own pod casts.

Research, or the truth can hurt

So, is it true that we don't do what we say we do? This has less to do with not telling the truth, but more to do with not even being aware of the discrepancy. We change our minds depending on circumstances, and are often unaware of it.

I read this great example about high-end chocolate stores. When asked why people would be interested in such an establishment opening in their community, they said they were excited because it would be a perfect place to buy gifts. You know, for the wife, for the parents, for friends. Over and over, they said that fine chocolates are a super gift to give others. Except that we don't buy chocolate for others. The grand amount of chocolate is bought for...ourselves. We just don't want to admit it.

Example two. We all know that good branding requires differentiation. We all know it requires developing your unique position and promoting it. We spend lots of money and time doing it, but the truth is that we rarely follow through. Copernicus Reports \ found that most products and services are becoming more similar than different.

They studied 51 products and services and found that over time 90% are declining in differentiation. They didn't just say they were similar, but "amazingly" similar. What does this mean? Well, it could mean that a lot of money is wasted on so-called positioning. It probably means that we don't buy into differentiating as much as we say we do. It does mean that since we are not doing the differentiating for the customer, the customer must do it for herself. Dr. Kevin Clancy, CEO of Copernicus says, "Consumers can't see differences between major brands in most categories, and as a result, many are buying based on price. If companies want to increase their margins—maybe even survive—they must learn how to develop value-added brands that set them apart from the competition in their customers' minds." In short, companies must truly—T-R-U-L-Y—"Differentiate or Die," as author Jack Trout claims.

What else have scientists been up to? Neuroscience has confirmed what we had suspected: if you prefer Coke to Pepsi, it is all in your mind. Dr. Read Montague, a neuroscientist at Baylor College of Medicine, had his daughter helping him in his lab for the summer. She was bored, so Read concocted an experiment for her to help run, re-creating the Pepsi challenge while monitoring brain activity on an MRI. The results were amazing. In blind taste tests, subjects' brains indicated a clear preference for Pepsi. But when they were told which of the samples was which, their brains switched brands. The brand image of Coke in the nervous systems of the people we tested engaged systems in charge of cognitive control and commandeered their behavior," Montague says. In short and to be clearer, the subjective power of the Coke brand was enough to override an objec-

tive preference. Okay, to be really clear: we are not as rational as we think we are. Our unconscious mind is in control more than we know.

New and improved research

What does this mean? How do we gather better data? How do we do better research?

Gerald Zaltman of the Harvard Business School has one answer: metaphors. In his wonderful book *What Customers Think* he tells how research needs to be more metaphor driven, since metaphors are a more reliable tool for getting to the unconscious. Metaphors are revealed more through in-depth stories than shallower surface questions such as “would you buy this product and why?” When we ask questions, we need to elicit stories. This requires more time with fewer people. It takes time to pursue the questions that reveal more useful information. We can inquire as to what kind of car is like our organization, but we then need to dig further to find out why. Where should this business go and why? Ask a few choice people—they will tell you. Better yet, video tape what they say and show it at your next meeting when your coworkers start arguing about communication direction.

Others are examining belief systems as a way to better understand brands. *Primal Branding* is a recent book authored by Patrick Hanlon, Founder and CEO of Thinktopia, Inc. Hanlon explores what makes a strong brand by researching how communities of believers develop and grow. His claim is that there are key components that are necessary for any successful community or brand. His information is not drawn simply from other businesses, but dips into the foundations of religions, the original communities of believers. In addition to establishing an organization’s mission, vision and values, a business needs a genesis story. People want to know where you come from. The business must also not only define what it is, but what it is not. Who are your nonbelievers? According to Hanlon, having an enemy is the most overlooked advantage in marketing today. The best way to position a brand is to determine the enemy first; then position you as the opposite.

You need both quantitative and qualitative data to get a good handle on things. Why both? Well, let’s go back to what the researchers have found. It seems that our best decisionmaking is based on both reason and emotion. That’s right folks, one is not better than the other despite all those bull sessions in college.

All the recent books I’ve read trash focus groups. Why? Because of group dynamics. Researchers have a clear understanding of how groups work. People in groups quickly fall into roles: the rebel, the leader, and the mediator, none of which represent how we make individual decisions. As a result, focus group conclusions often don’t jibe with reality. This is not to say that focus groups are a bust. They can be a great quick and dirty way to test an idea, but for depth of meaning they don’t hold a candle to one-on-one information gathering. The number of people you research is not as important as the quality. A few good interviews are worth more than all the tees in Scotland.

With all this work, perhaps you’re asking yourself if research is really worth all that. Yes. Yes it is. Brand research helps define how to meet and exceed customer expectations. How can you meet these expectations if you don’t define what they are? If you don’t know if you are meeting them, how can you hope to exceed them? You have to do some research. Here is what many organizations do. They don’t want to do the research, perceive they can’t afford it, or worse yet they don’t feel they have to do it because they already know what customers want. Their customers want (ta-da) quality. Hello, everybody talks about quality service. Everybody. Even my son talks about the quality service he performs in folding our laundry and why he deserves a bigger allowance. In short, who cares? This is not to say that quality is not important. Of course it is, but frankly I take this for granted. I don’t choose a company because it SAYS it does better than others, but because of its track record. I assume that all legitimate companies are doing the best they can and put quality first. After all, who says otherwise? “Ad-

ams Premium Lampshades: we put quality fifth.” Maybe that’s the origin of my prejudice. Here is Ford Motor Company turning out substandard cars and trying to cover it up with “We make quality job 1.” Quality what? Cars? Year after year, *Consumers Report* cites quality as defined by Honda and Toyota. In short, simply saying you are a quality company is meaningless and forgetful, two things you want to avoid in branding. Volvos are safe, quality by default. BMWs are the best engineered, quality by default. You must define quality in a way that is unique to you. You must find out how your customers define quality. This takes research. Research acknowledges the great branding truth: that this is all about your customers and not you. Meet or exceed expectations and you will not have to breath a word about quality, because it will be understood. By default.

On to brand management

Quality brands promote dialogue with clients. This is no small task, especially since the average consumer is bombarded with 60% more ads than they were a decade ago. This requires innovation, but it is worth the effort. I’m not talking about traditional one-way media, meaning a company creates its message and sends it out. I’m talking about true two-way communication. Two-way communications helps promote loyalty, and gives you more opportunities to promote your brand. It offers valuable feedback. It means listening. Listening is not expensive. It’s just hard to do. But you better be good at it. If your customer doesn’t feel listened to, they will stop telling you what you need to hear. You will not get a second chance. A perpetually inquisitive mind is terribly helpful in branding. This type of communication is where we’ve seen the greatest change in brand management because of the influence of technology.

And blogs. Blogging helps to maintain your relevance. It also helps promote word-of-mouth marketing. If your field requires that you stay on top of changing information or is already of interest to blog, you ignore the blogosphere at your own risk. You can use blogs and more traditional means of communication to promote interactive

contests. Canadian shoe company John Fluevog asks its customers to design shoes. Others then rate the designs online. To date, six designs have won, and sales of the six have exceeded expectations. Jones Soda in Seattle prints customer photos on its bottles. Companies such as Apple have established online communities where customers interact with each other. Ogilvy has created the Ogilvy Loyalty Index, and found that interactive customers such as these are worth six times the value of an average customer. A McKinsey Report study found that these interactive customers accounted for two-thirds of sales online.

Naomi Klein’s book *No Logo* has created a lot of attention, but not for the reasons that the title might suggest. Her writing is not anti-branding; it is about companies being responsible. Some, such as Stonyfield Farms and the Body Shop, have known this for years. They also know that being socially responsible has an economic value. It contributes to the brand. More and more companies are increasing sponsorships of a wider variety of social movements, ranging from the anti-fur movement to tree planting in Africa. There is also all that talk of transparency. Companies are paying greater attention to corporate governance, recognizing that negative transgressions can devastate brands. This will go beyond donating money to the right cause. Business behavior will continue to be under close scrutiny as businesses expand their global reach. Our contemporary rules of global business ideology— shareholder value, free trade, intellectual property rights, and profit— are not understood in other countries. In fact, they are often not even accepted. Businesses must demonstrate their importance in the community, at local and global levels.