Lessons in the Management and Design of Brands

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Lisa Spayd's January 25 "Love Ya, Babe" commentary in *Washington Post Magazine* went this way:

> When I was just getting started as a consumer, around the age of 12, I bought my first pair of bluejeans. They were Levi's with slightly belled bottoms, and it was no mistake that I chose them. Every kid I knew who was the least bit cool had them, and I assumed at the time that Levi's would always be my brand....Now that I'm approaching 40, I'm not sure there's a jean maker whose product I have not tried, and I'm not sure my fickle proclivities are unusual. In fact, I'm rather certain they're not.

Brands are about building consumer loyalty, about generating experiences and emotional bonds that keep people coming back for the old and the new. They are about the quality of a product or service, about innovation, about being competitive, about packaging, about communications and corporate identity, about lifestyle and personal image, and about being responsive. Creating strong brands is the way businesses grow and thrive. As Spayd's attitude suggests, however, this is a significant challenge in a world in which choice and change are the norm. Fortunately in these circumstances, design can make a difference—a major difference! This quarter, then, we appropriately devote the *Journal* to a discussion of brand management and design.

The Big Picture—Brand Stewardship

A successful brand, one hallmarked by a strong profile, devoted customers, and growing sales, is valuable. It is a corporate asset whose equity needs to be protected and enhanced. Karl Speak, founder of Beyond Marketing Thought, Ltd., in Minneapolis, refers to this job as *brand stewardship*, the management of brands as contributions to both current and long-term operating results. This stewardship depends on a profound understanding of the messages and belief systems on which brands are built. It is not an easy task. Decentralization and empowerment limit the ability to control how brands are used and developed. The focus on quarterly financial returns makes long-term brand investments less attractive. And high turnover among brand and product managers dilutes the very idea of stewardship. Acknowledging these realities, Speak proposes specific actions an organization can take to strengthen its brands. A key facet of the process is to create an "open brand architecture"—an understanding of marketplace relationships and definitions of brand and brand relationships that are clear to everyone in the organization. His essay expands on each of these topics, elaborating on four possible marketplace orientations and the three components of brand definition—competency, standards, and style. Speak ends by outlining how this information supports a brand stewardship framework in which managers create an effective, long-term brand strategy that addresses such issues as brand goals, brand promise, brand position, marketing, and the measurement of brand perceptions.

Continuing the overview of brand management, Eric Almquist, a director of Mercer Management Consulting in Boston; Ian Turvill, an associate in Mercer's Chicago office; and Ken

Roberts, chairman and CEO of Lippincott & Margulies, Mercer's corporate brand identity consulting arm, based in New York, share methodologies for calculating brand value, techniques that help them isolate and correct brand problems and improve brand equity. They define brand equity as the price advantage or share advantage a brand realizes as consumers purchase its product in preference to others, a statistic they break down across different consumer segments. Next, using a proprietary model called Strategic Choice Analysis, they distill elements that add to brand equity and others that are neutral or undermine brand value. Pushing this evaluation to reveal even more precise information, they discover the brand features that contribute to the success or failure of individual brand elements. This data, in turn, is used to develop detailed management plans for leveraging brand equity—strategies that protect core equity elements, fix negative elements, attack competitors' positive elements, and take advantage of competitors' negative elements. It's a compelling approach, one that clearly unveils the many areas in which design management and brand management overlap.

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The Great Debate: Single- Versus Dual- and Multibranding

Within the domain of brand stewardship, some of the most interesting questions have to do with whether a brand's value is increased by segmenting it into a collection of sub-brands and/or partnering it with other brands. On one side, Edwin Visser, managing director of Claessens Product Consultants, in Hilversum, The Netherlands, argues that, in general, fragmentation confuses customers. Companies are drawn to brand extensions and various types of brand combinations because these techniques are perceived as ways to increase sales and revenue at a cost far below that of creating a new brand. But as Visser sees it, the results often weaken rather than amplify the brand message. This is particularly true in fast-moving consumer goods, a segment in which more than two layers of brand information—Visser's definition of "multibranding"—make packaging design and the blend of names and corporate marks bewilderingly complex. Visser analyzes several European multibranded products to illustrate his points and ultimately concludes that in terms of clarity, authority, and the power of persuasion, "nothing is stronger than a one-of-a-kind brand."

The authors of this quarter's keynote article—Bernd Schmitt, a professor of business at Columbia Business School, in New York, and Alex Simonson, a professor of business at Georgetown University, in Washington, DC—offer a contrasting perspective. They believe appropriate brand partnerships can create clutter-breaking identities and strengthen consumer perceptions related to the organizations involved. What's crucial is how the new brand is designed and managed. In this regard, they distinguish three layers of decision making. One has to do with implementing the right type of identity for a brand partnership—a new identity without reference to prior ones, a new identity with reference to the brand alliance, or an identity that is some combination of existing brand images. Testing alternatives with consumers can help determine the best option. Another area of decision making revolves around the purposes of a brand partnership. Here Schmitt and Simonson develop a matrix that divides joint branding efforts between those focused on businesses and those focused on consumers, and between those established to create new products and services and those established to stimulate existing product use. This generates four combinations, and they recommend a different design/brand strategy for each. The third level of decision making addresses the management of brand impressions. The central issues in this category are "style"—the design of the elements that contribute to a consumer experience—and "theme"—the design of the content and meaning in a consumer experience. With these clear pathways for dealing with brand development, Schmitt and Simonson are confident that partnering can work as a creative and profitable business arrangement.

Peter Phillips, an internationally known identity and branding consultant based in Marblehead, Massachusetts, concurs that brand acquisitions and combinations are a viable trend. He cautions, however, that success depends on managing the intangible along with the tangible aspects of these mergers. Problems can be especially intense when an established brand is sold to a new owner. In these circumstances, a redesigned graphics and communications plan is not enough to realign a brand and assure continued growth. Changes in management style, corporate culture, and marketing strategies, as well as the coexistence of brands with divergent priorities (for instance, value pricing versus quality design and outstanding service), must be dealt with as part of the alliance process. If not, tensions and turf battles arise inside the organization, and confusion and mistrust become the norm among consumers and suppliers outside the organization. Complementing the many "hard," design-oriented concerns covered by Schmitt and Simonson, Phillip's insights become a checklist of "soft" issues to which executives must respond as they leverage brand assets through purchases and partnerships.

Hands-On Learning—A Spectrum of Branding Case Studies

As counterpart to the theoretical consideration of brand management and design, this issue includes a rich array of case studies on the subject. Jean-Léon Bouchenoire is brand equity director at DIGITAL, in Maynard, Massachusetts. In his case study—to a certain degree reflecting the view of Edwin Visser—he explains why and how, since 1966, DIGITAL has chosen to promote itself through a single, rigorously controlled master brand. In that year, an audit revealed that the company's products were sold using innumerable variations in visual vocabulary and under a variety of corporate names. Indeed, some products were only vaguely associated with the corporate brand, and many people thought DIGITAL and DEC (Digital Equipment Corporation) were two different companies (not true). This confusion was particularly unfortunate as the organization increasingly marketed itself as the source of integrated solutions rather than a purveyor of individual technologies and services. To emphasize its product synergy, build consumer recognition and confidence in the DIGITAL brand, and make the most of an advertising budget that was significantly smaller than that of most competitors, the firm determined to create a single strong voice. Distinguishing the corporation from the generic use of the word *digital*, managers decided that the presentation of the DIGITAL name would always appear in capital letters. Identity and graphic standards were developed to govern all corporate communications and marketing from Maynard to Geneva to Singapore. A review process was established to eliminate unnecessary brands within the DIGITAL voice, and an ambitious implementation schedule was put in place so that, in less than a year, the company had 95 percent compliance with the new brand policies. Did this approach generate added value? Perhaps the best indication of a positive response is the fact that Compaq Computer is now taking DIGITAL over at a premium price.

A second case by Brian Boylan, chairman of Wolff Olins, a leading European branding and identity consultancy in London, probes the branding strategy for the Credit Suisse Group, a company that wanted to shift its identity from being the oldest major bank in Switzerland to being a powerful force in the international financial services industry. During the 1980s, Credit Suisse acquired First Boston to give it a presence in the United States. It then methodically expanded its assets and the reach and number of its services to become one of only a few truly global financial institutions—twelfth in the world in terms of market capitalization, with more than 50,000 employees and operations in more than 100 countries. The problem was that, perceptually, Credit Suisse remained a Swiss bank, frequently overlooked by clients who didn't understand the breadth of its operations and resources. To transform the company into a world brand, Wolff Olins proposed that it maintain an image that embodies the integrity and modernity of Swiss banking while simultaneously highlighting how, as a single organization, its four core business units—its Swiss bank, its worldwide private banking, its global asset management group, and its international corporate and investment banking—could meet almost any customer need. From a design perspective, this is accomplished using "Credit Suisse" as the dominant global brand mark followed by a suffix (with the exception of the bank in Switzerland) and tag line that clearly identifies the name and special character of each business unit: Credit Suisse, the Swiss bank— "We are where you are going"; Credit Suisse/Private Banking— "Money. And beyond money. Joy of life."; Credit Suisse/Asset Management— "A wise engine—a clever machine"; and Credit Suisse/ First Boston, the corporate and investment banking unit— "Smart power for your corporate possibilities." Little more than a year old, the branding strategy is already having the desired effect of establishing Credit Suisse as a "global player with a modern global image."

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In a second narrative on brand repositioning, Cheryl Swanson, senior vice president of strategic planning for the New York brand consultancy Wallace Church Associates, describes how she and a unique integrated marketing team (IMT) of experts in the fields of advertising, promotions, and public relations redefined the Maxfli golf ball brand in a successful effort to move it from fourth to third place in market share. At the outset of the project in 1995, Maxfli lacked a personality that distinguished it from other brands. It was a solid me-too product in a market dominated by Titleist, the status mark long associated with the great traditions of golf. To give Maxfli a distinctive, more competitive identity, the IMT determined to position it as "youthful," embracing notions of "energy, momentum, vitality, and striving to achieve one's personal best." With testing, they discerned what expressed these attributes visually, strengthened sub-branding within the Maxfli golf ball line, and proposed innovative photography-based packaging. By mid-1996—six months after launching Maxfli as an experience rather than a product—the brand rose to become the number three in sales.

British Airways is a third brand repositioning case. Written by Simon Jones, a director of Interbrand Newell and Sorrell, in London, it details how, over several years, this transportation giant endowed its services with a highly valued human touch to renew its brand as "The World's Favorite Airline." Initial changes, discussed as far back as 1991, stressed updating the corporate image. As part of this approach, for instance, new uniforms were introduced in 1994. But while this work going on, broader strategic concerns surfaced. Focus groups emphasized the importance of being global—not just British—and being caring and warm—as well as efficient and safe. By 1995, it was clear that more than an update was needed, and Newell and Sorrell were hired to redesign the British Airways brand. After extensive analysis, the consultants recommended an identity that combines two themes: the airline as "a citizen of the world" and as "connecting communities around the world." Graphically, these ideas are expressed with a new logotype and color scheme and a collection of images for collateral material and advertising that celebrates people and art from cultures and communities around the globe. Begun in June 1997, the branding program is still evolving, but, already, British Airways stands out among rivals as a sophisticated yet very human "worldmark." The final word in this quarter's journal comes from Jerry Kathman, president of the Cincinnati packaging and identity design firm Libby Perszyk Kathman. He speaks to the need to periodically reevaluate, update, and redesign packaging as part of the branding process. He offers guidelines for making packaging design changes and illustrates them with examples from such well-known brands as StarKist, Prudential, Coors, and Valvoline. His contribution is to comment on critical details within the larger branding picture.

The Brand as Living Organizational Asset

Putting together the insights of the several authors in this issue, the message is that an organization's brands are not only valuable, but alive. They are the way companies build relationships with consumers and constituents, connections that are anything but static. Brands need to be shepherded. They need to be nurtured by talented managers and designers. They need to be evaluated and renewed. The remarks by Lisa Spayd that opened this overview cynically indicate that brands aren't very important in a world in which commitments are passé. This, however, is not true. People (who are also consumers) continue to seek out rewarding relationships, and those writing the essays that follow this introduction offer their wisdom on pathways for making sure brand relationships and brand assets are treasured and vital. ♦