



Building Better Brands

A Comprehensive Guide to Brand Strategy and Identity Development **SCOTT LERMAN**

**HOW
BOOKS**
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Dedication

To Susan.

Building Better Brands?

Too much of brand development is clouded in mystery and obscured by jargon. While “I’ll know it when I see it” isn’t a sufficient standard, you don’t need to be a high-powered consultant to evaluate the effectiveness of a brand.

The answer to “What does it take to build a better brand?” won’t be found in brand valuation studies. Arguably, their fundamental analytics aren’t much more reliable than “most sexy man” rankings, but that’s not the issue. Even a perfect brand valuation methodology would measure an economic symptom, not a cause.

So how can you determine if a brand is effective? What is the right measure for whether a brand, your brand, could be better? Consider three essential elements.

A great brand is actionable,
compelling, and true. Two
out of three won’t do. It must
be a blend of all three.

Actionable. When a brand idea is actionable, everyone responsible for what is made, said, and done knows the do’s and don’ts for success.

Actionable brands are simply the “root of all... actions.” They provide an unambiguous standard for behavior. They set a benchmark for products and services. They set the pitch and tenor of the organization’s voice.

Compelling. Knowing what to do and wanting to do it are completely different things. A brand has to tap into the aspirations of the organization to affect behavior. People want to be part of something that matters. While you can build a working entity without a sense of compelling purpose, it won’t become a great or enduring one.

Actionable Compelling True

Compelling brands aren’t just inspiring to insiders. They are relevant, compelling, and exert a strong “pull” on target audiences outside of the organization.

True. The all-too-common public perception that brands are deceptive window dressing comes from the reality that short-term, actionable, and compelling brands can be effective posers. Think Enron. But if you want a better and enduring brand, build it on what’s true.

True to the culture and capabilities of the organization. True to the on-the-ground realities of executing on promises. And especially true to the expectations of your outside audiences. Because sadly, some ideas, no matter how true, will never be believed.

An organization can talk about aspirations for its brand. But it needs to be careful not to overreach or become boastful.

1 + 1 + 1 = Better Brands. When a brand is actionable, compelling, and true it will become known for something important, instantly recognizable, and improve the organization’s ability to compete.

Start here. Gather a cross-section of people within the organization to discuss how your brand is performing on these simple, but powerful measures. It’s the first step on the path to Building Better Brands.

Building Better Brands That...

Building a better brand isn't its own reward. It creates an asset that drives choice and retention. Specifically, choice by the audiences you want to buy a product or service, support a cause, or change their behavior. And not just choice, but loyalty that ensures that once the brand wins you believers, you can hold onto them for the long term.

The mechanics of choice and retention are well understood. There are a series of "gates" that a target person passes through in a set order—awareness, familiarity, consideration, choice, and loyalty. The gates drive the sales and fulfillment process of entering a market, getting on the "long-list," surviving the winnowing down to the "short list," winning, and ultimately building loyalty.

When you build or evolve a brand that is optimized for all of the gates you will win more often and keep more of what you win.

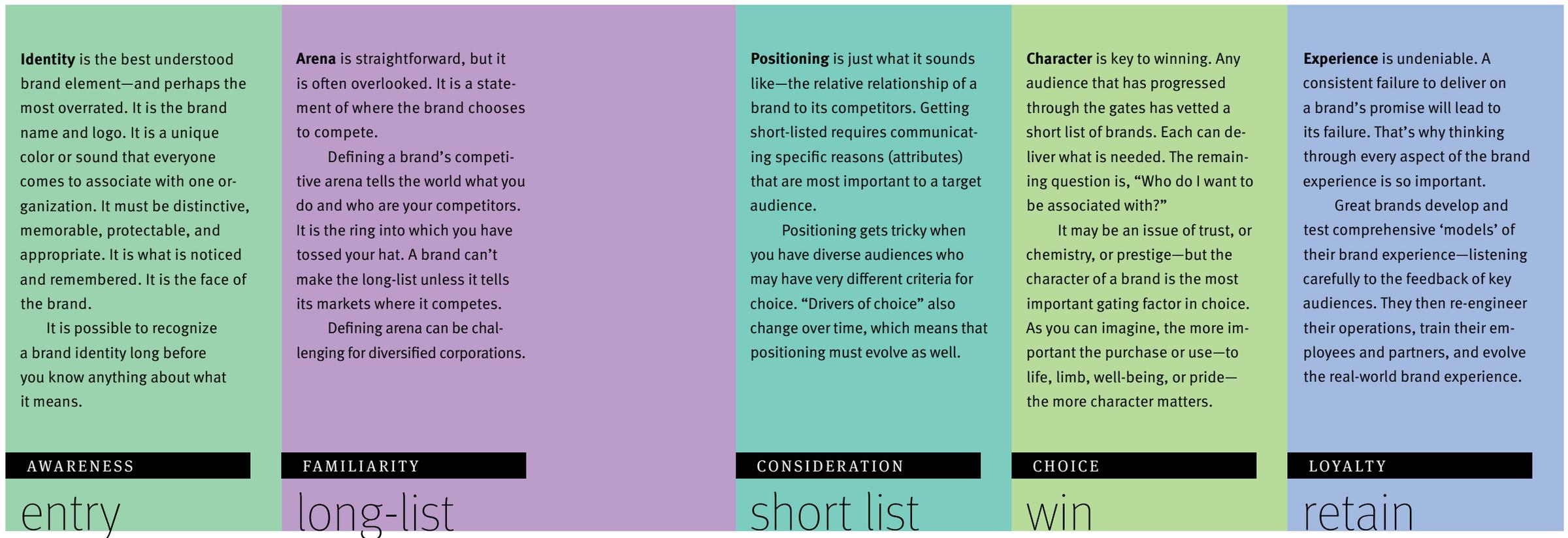
The terminology used by experts may vary, but the underlying path is straightforward and undeniable. The real issue is, "How does a brand relate to each of these gates?" Once you understand the answer to that question you'll be ready to begin evaluating and improving a brand's performance at each stage of the journey.



“Our task wasn’t to teach leadership about branding. It was for us to determine how to leverage the brand assets of the corporation to win more often. Once we could do that, we had the attention of the C-suite.”

—CMO AT A GLOBAL TECHNOLOGY COMPANY

Elements of Building Better Brands





Audiences experience brands by moving through the gates of choice. But crafting the elements that define each gate needs to be done in a different order.

As shown below, we need to understand character before we make choices about where and how we go to market. And identity isn't a driver of brands, it is a container of brand meaning whose definition is best left for last.

In the following chapters we will step through each element that needs to be defined to build better brands.

Character

Arena

Start With Character

While the “gates” or stages leading to choice and loyalty run in a set order, the development of brand elements doesn't follow the same logic.

Character, not identity, comes first because it drives all of the choices made by the organization. Then **arena**, as it defines the playing field and dictates who you are trying to reach. Third, **positioning**, which determines your strategy for appealing to the key audiences. Next? A modeling of the desired **experience**, because it is the stage where the full brand story unfolds. And finally, **identity**, because its form should be honed to fit the other brand elements, not the other way around.

Positioning

Experience

Identity

Defining Character

To define the character of your organization you'll need to gather the right people, provide a clear framework, and facilitate the process.

Who should be part of the process?

Ultimately, everyone. But to get started, gather a small group that represents the heritage, current drivers, and up-and-comers of the organization. If a single gathering is not feasible, conduct a series of mini-workshops that move across the organization. Consolidate the results. You can also interview individuals, visit the archives, and conduct surveys to add richness and depth to the process.

The Rule of Three.

In the end there can be only three. Three character traits that together capture the evolving nature of the organization.

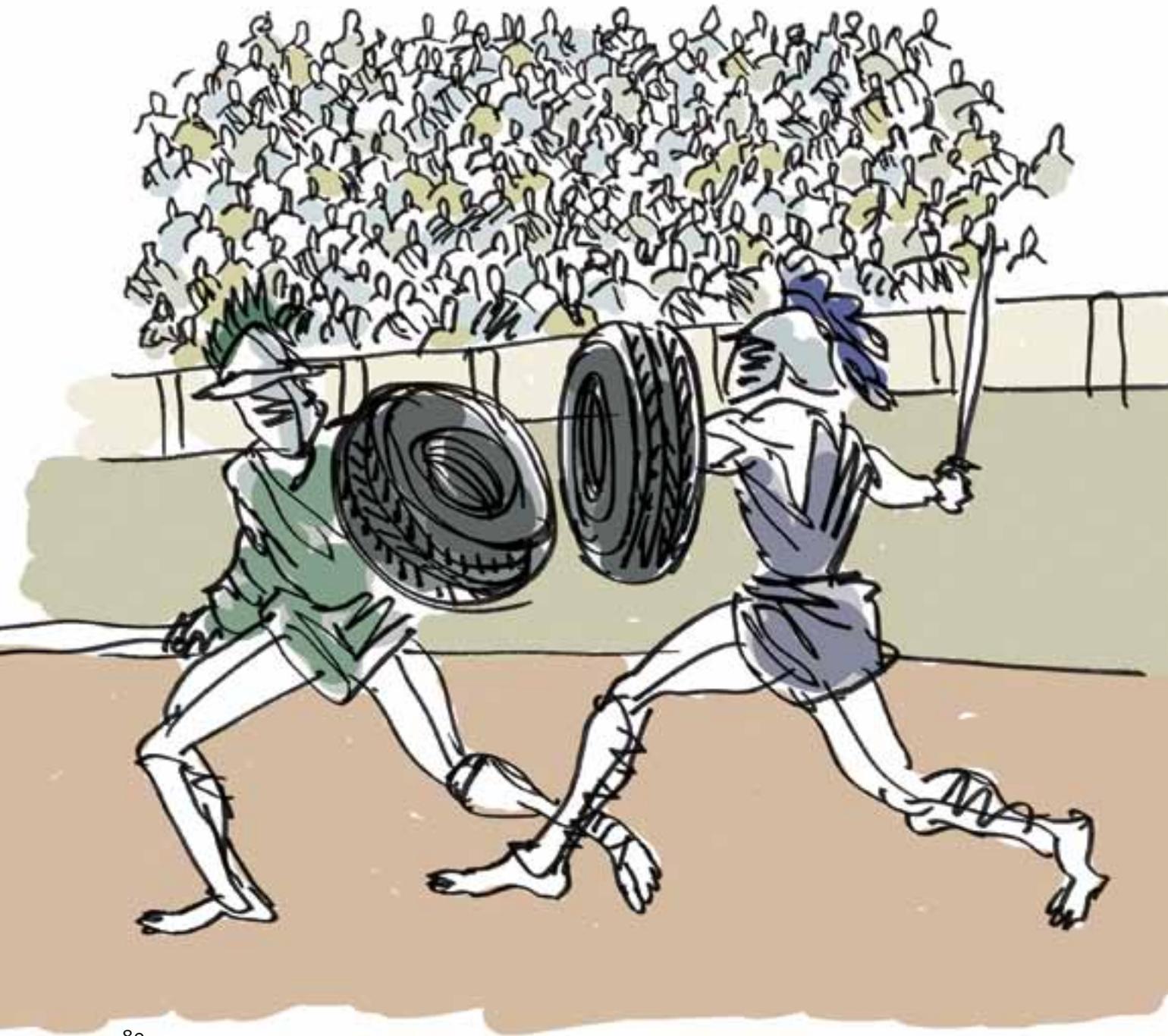
Why only three? As noted earlier, it forces you to make hard choices. No endless lists that everyone can agree to but no one uses. Three words are memorable and actionable. And three traits are enough to express a complex character. Get them just right and everyone will see the true nature of the organization in an elegant triad.

Facilitating

Your job is to keep everyone honest. Challenge platitudes. You're not looking to mindlessly reproduce an existing values statement. But be respectful. Character traits that might seem negative now may have been exactly right for a pioneering organization.

The hardest part is to keep everyone focused on the character of the organization—not just on traits that they personally have or admire. Imagine if the organization had a personality that you could describe to a friend—it does and you can!





Arena

Where do you choose to compete? Who are your fiercest competitors? The arena provides the context and sets the standard for every competitive battle.

Don't Use Your Imagination

Arenas should be generic. Their primary use is for context, for sorting. Don't get creative when declaring your arena. Why? Which is more useful, telling someone you are a "chromatic modulation technician" or a house painter?

One problem is that organizations aren't always satisfied with straightforward descriptors like, "Business Consulting," "Industrial Construction," or "Oil Field Services." They want to differentiate themselves from competitors. But arena is used to get on a prospect's radar, not to win the job.

If you want to be found, much less considered, your organization has to fit into the way prospects organize the world. If you need to build a gas-fired power plant, you'd search for "industrial construction" companies or "power plant construction."

Think of it this way. If you're searching for specific products and services you might ask a trusted friend, use the Yellow Pages (very retro), or Google prospective providers. You'll use generic terms no matter how you search. "I'm looking for... a butcher, a baker, a candlestick maker." When it comes to arena, separating yourself from the herd is not a good thing. You'll only be harder to find.

Define your arena in clear, simple, and generic terms. Don't use your imagination.

But what if there is no word or phrase that describes what you do? How can you describe something new, something that is truly innovative?

First, determine if you're really inventing a new industry. If you're just improving on what has been, there's no advantage in coining a new arena. Remember, you will have to teach people an entirely new idea. That's hard and expensive.

But, if you're sure you are pioneering a new industry, such as private space travel, you still can leverage what's come before.

Virgin Galactic describes its arena as "Commercial Spaceline." You can see how using a variant of "airline" allows them to coin a new arena name without confusion. But most important is their use of the word "space."

Woof-Proof Stray Rounder Canine Controller Dog Catcher

You may like some of these invented arena names, but only one is sure to get you on the long-list.

If you analyze the computer code behind their home page, you'll find over fifty instances of the word "space." It's there, over and over, because potential customers are going to be using that word as part of their search.

Another pitfall in defining an optimal arena is the tendency to "let the tail wag the dog." Arena tells prospective employees, customers, donors, investors, and others your chosen territory. While you want all of your products and services to fit inside, don't let outliers blur or distort your focus.

For example, if you're 99.99% a glass container maker, don't worry if you make a few plastic bottles or closures. Unless you plan on materially expanding the plastic side of your business, it need not be part of the lead descriptor of "what we do."



Positioning

Every arena has many players. Your competitiveness will be determined by the attributes that are associated with your brand. Choose and manage them carefully.



**American
Red Cross**

jetBlue

McKinsey & Company

The Container Store

The Original Storage and Organization Store®



Brand Territory— A Simple Framework

When you think about a brand, what comes to mind? Is it the sheer scale and size of their operations? Is it a specific range of products and services? A way of doing things? The skills of the people behind the brand? Or perhaps, a clear purpose or mission?

Each of these territories—assets, offer, approach, skills, and mission—are archetypes that can be tapped to help us understand the fundamental nature of brands. While all brands touch on most of these territories, the best ones center on one or two.

Some territories are a more likely fit for some industries: approach- or skills-based for medical, legal, financial, and consulting services; asset- or product-based for industrial, wholesale, or leasing companies; mission for charities, government agencies, and political campaigns. But that's not always the case—or the best course.

3M started as a brand offering thousands of sticky and gritty products, but it is now positioned around its approach to “practical innovation.” Avis relies on its vast assets—locations and fleets—to compete in the car rental business. But it positions itself on the approach, “We try harder.” And Target has chosen to become known for its focus on design, not product range and cost. In fact, you can argue that less obvious and crowded positioning territories can be an advantage if you want to stand out. Unlike defining arena, a little imagination is an asset here.

All positioning territories are equally viable and equally valuable—the only consideration is which is the best fit and creates the greatest competitive advantage for an organization.

Keep in mind, positioning is not static. As organizations and markets evolve, so will the positioning of their brands.

If they've done their jobs well, you should be able to connect each of the brands at left to its chosen territory.

Assets
Offer
Approach
Skills
Mission

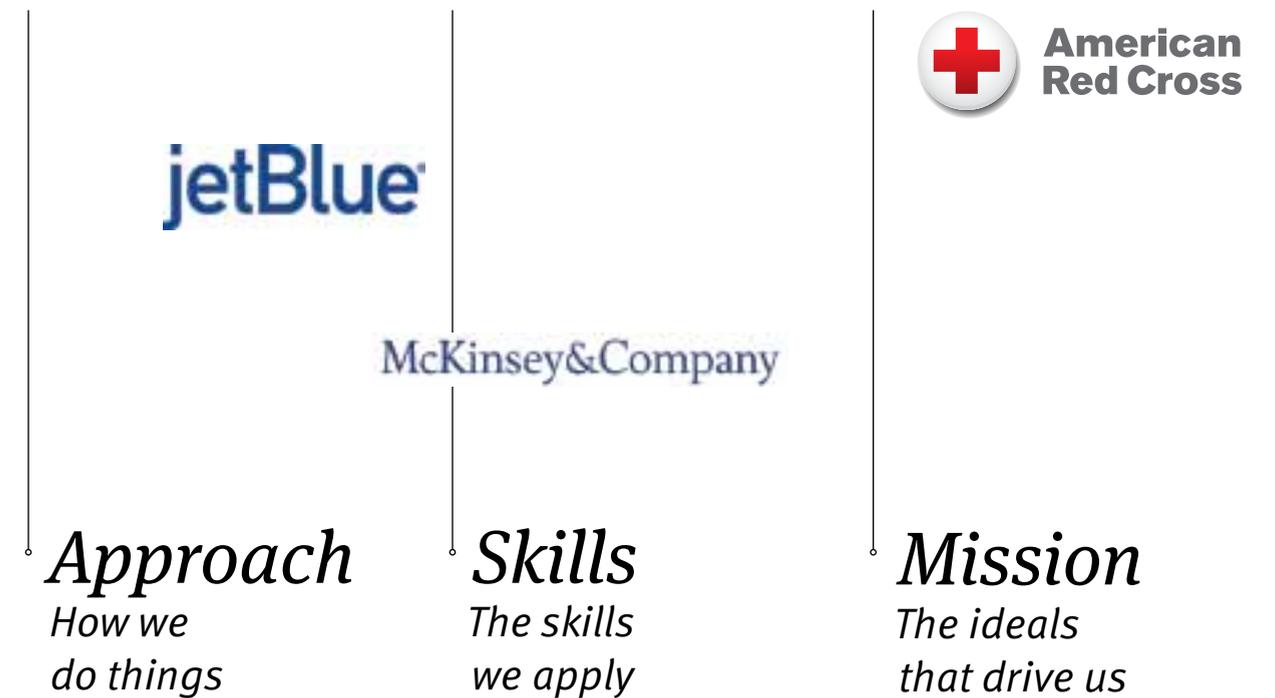
If you arrange the five territories in a continuum from tangible to intangible, you will have a simple but powerful framework for mapping brand positioning.

As you can see, a well-defined brand will have a center-of-gravity—even if it spills slightly over into an adjacent territory.

We think about The Home Depot® as always having a gigantic store, nearby, with everything a DIY'er might need. The Container Store® is, obviously, focused on containers. JetBlue® brings a unique attitude and approach to air travel. McKinsey & Company is renowned for the talents and skills they bring to every engagement. And the American Red Cross is unequivocally set on a mission.



An organization positioned on assets does not have to operate without ideals. Nor does a company with a distinctive approach succeed without products and services. Positioning is “the pointy end of the spear.” It is the clear and sharp point of differentiation that audiences you target will associate with the brand.



*Successful brands take a stand;
they have advocates and detractors.*

*Failures try to be everything to everyone,
nobody cares very much about them.*

It's possible to build a successful brand in any of the five territories. None is inherently superior to the other, but few, if any, organizations have what it takes to successfully compete in all five.

Here are five water brands that have staked out their own territory.

...sourced only from carefully selected springs...

Poland Springs

Assets

*What we own
and control*

...a range of flavored waters with added vitamins and minerals.

Vitamin Water

Offer

*Our products
and services*

Solutions for better water.™

Brita

Approach

*How we
do things*

The World's Foremost Water Conditioning Expert Is In Your Neighborhood.™

Culligan

Skills

*The skills
we apply*

Advocacy for improving the quality and supply of water in North America and beyond.

American Water Works Association

Mission

*The ideals
that drive us*

Years in business
 Market cap
 Number of employees
 Number of locations
 Fleet
 Patents
 Reviews, testimonials, awards
 Number of clients/customers
 Technical infrastructure
 Public company
 Private company
 Certifications
 Large scale
 Tenure of employees
 Client retention
 Redundancy
 Network of suppliers
 Network of distributors
 Low-cost structure
 World-class facilities

Assets

What we own and control



Range of products/services
 Focus of products/services
 Reliable products/services
 Good value
 Cheap
 Premium
 Limited editions
 Size variations
 Flavor variations
 Packaging variations
 Look and feel
 Smell
 Sound
 Portability
 Bulk
 Tailored to age
 Tailored to lifestyle

Offer

Our products and services



Collaborative
 Treats you like a partner
 Flexible
 Relentless
 Right the first time
 Culturally sensitive
 "Green"
 Rapid prototyping
 Cautious, bulletproof
 Overbuilt
 Clear chain of command
 Collegial
 US-based
 Multinational
 Global
 Tight quality controls
 Encourages experimentation
 Constantly evolving
 Straightforward, simple
 Can quickly scale operations

Approach

How we do things



Industry expertise
 Highly credentialed
 Continued training
 Cross-disciplined
 Diverse
 Specialized
 Renowned staff
 Relates well to leadership
 Able to engage the entire organization
 Great leaders
 Fast learners
 Proven/certified/licensed
 Rare
 Unique

Skills

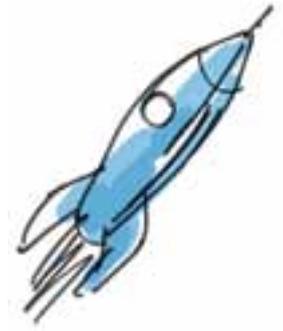
The skills we apply



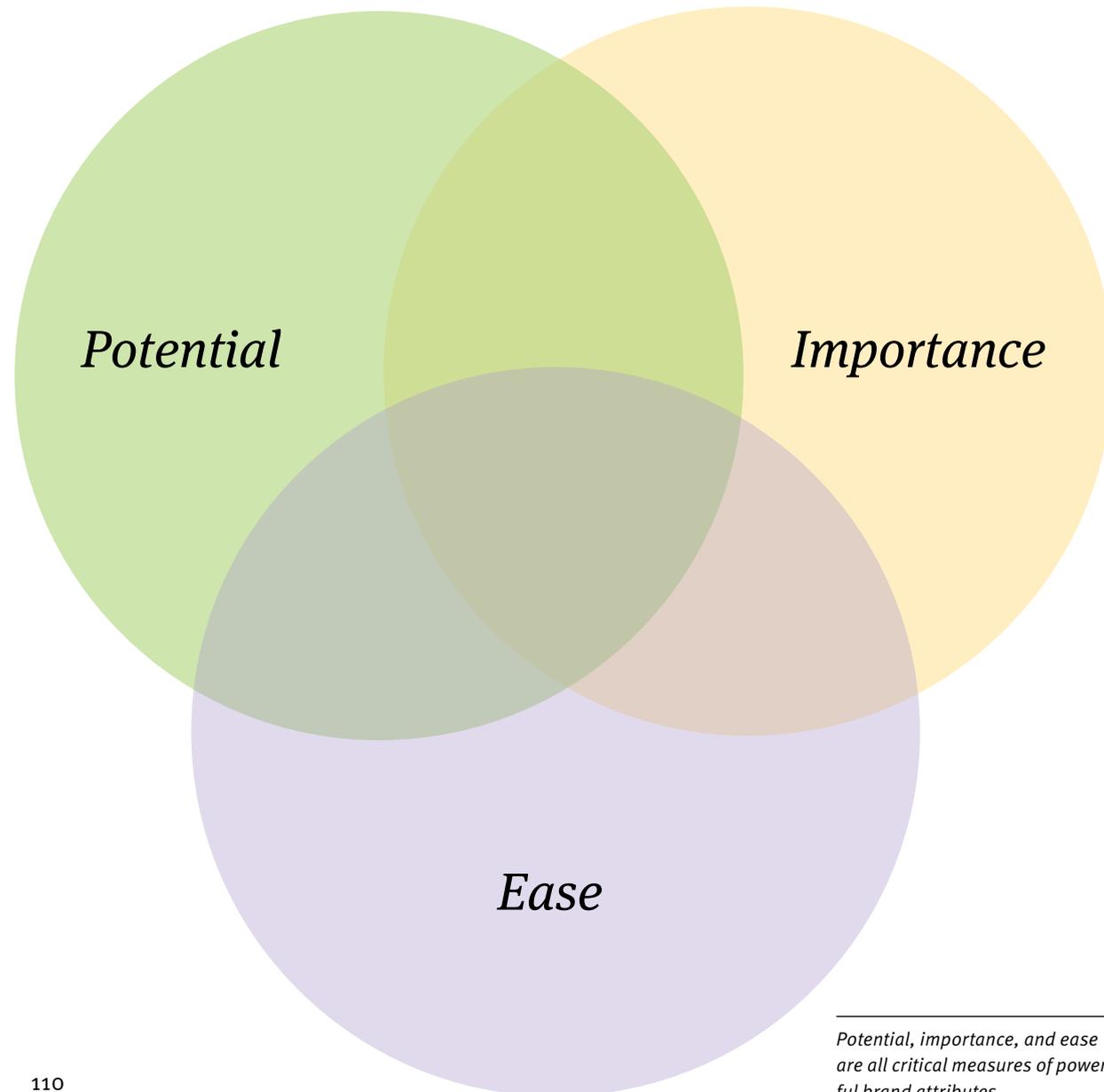
Improve...
 Advocate...
 Advance...
 End...
 Enable...
 Fight...
 Defend...
 Preserve...
 Take back...
 Recast...

Mission

The ideals that drive us



These are examples of the kind of attributes that might fit into the five territories.



4. P.I.E.

Long lists of attributes are not that useful. While they give you a sense of what's part of the arena, you'll need to identify the most powerful attributes to gain real competitive advantage. There are three dimensions that define an ideal attribute: potential, importance, and ease. P.I.E.

Potential is the relative leverage of one attribute versus another to drive choice among your key audiences. Does improving a brand's high rating on "puts my interests first" win more business than "locations near me?" Or does becoming known for "cheapest products in the marketplace" deliver the biggest payoff for the effort?

Unfortunately, improving the rating on some attributes may gain you nothing. If you already are seen as having locations that are close enough, telling me you're adding more is a waste of resources.

You want to choose attributes with the highest potential to move minds and markets. Go for the most bang for the buck.

Importance, or correlation with choice, is a ranking of the attributes that influence choice from most to least. Look at the top 10 and you'll get a good sense of why an arena's leading brands are winning today.

Ease is a combination of factors. Cost is one. Is it expensive to improve your rating on an attribute? Again, if you want to rate best on "location near you," it might require a massive real estate effort. Not easy.

Ease is also a measure of how an attribute fits your character. Even if "collaborates well" is important and has great potential to win customers, if your character is more "cowboy" than "caring," it won't be easy.

Finally, ease is a measure of "permission." Will key audiences believe it's possible for you to deliver? If Wal-Mart said it was going to become a luxury goods store you'd scoff. It wouldn't matter if they meant it; getting you to accept such a change would not be easy.

1. Prep

2. Frame

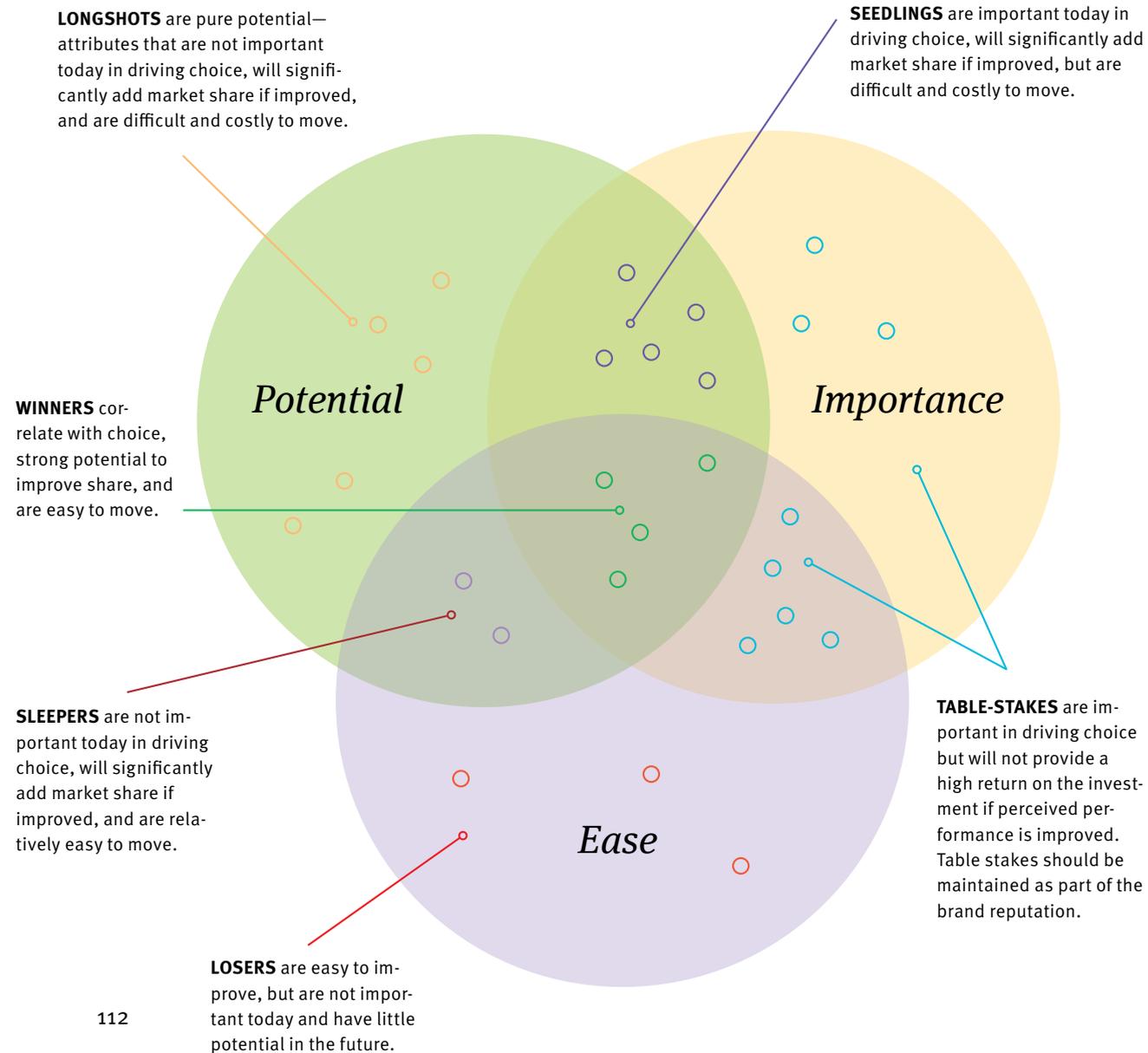
3. Brainstorm

4. P.I.E.

5. Distill

6. Craft

7. Articulate



The workshop group will evaluate the long attribute list to identify ones that have the greatest potential, importance, and ease. They'll need to rely on their experience and the intelligence gathered during the audit phase.

A few attributes will have high potential, importance, and ease. Many will rate highly on only one or two dimensions. Some will fit none and should be discarded.

Distribute the attributes in the diagram—those that deliver all three dimensions go into the overlap in the center. Others will fit into one, or into the overlap between two dimensions. Step back. Take a close look at these three zones.

Winners, the attributes at dead center, are extremely valuable brand building blocks. They are already important to choice, have the potential to win more market share if improved, and are relatively easy to implement.

Sleepers are a bit like wild cards. They are new ideas, innovations, or something that everyone does, but not well. They are not “important” to the market today—only because they haven’t yet been introduced to the market or nobody has figured out how to implement them properly. That’s what makes them potentially groundbreaking.

Table-stakes are attributes that you have to deliver on to even compete in the arena but don’t differentiate one brand from the next—like “a fleet of airplanes” for airlines. You won’t defeat competitors with table-stakes.

These are key zones for positioning attributes, but don’t ignore **Longshots**, **Seedlings**, and **Losers**. There is something to learn from them all.

1. Prep
2. Frame
3. Brainstorm
4. P.I.E.
5. Distill
6. Craft
7. Articulate



Experience

Unlike the barker at the sideshow, brand stewards must deliver on their promises if they want their customers to return—to build loyalty.



(re)Model the Experience

Models have been used as a way to explore possibilities, work out technical problems, and gauge and gain support for complex and expensive projects. Models are particularly important when the endeavor is controversial, innovative, ambitious, or all three.

When you model a brand program, you are examining the journey, the entire experience of key audiences. You need to simulate what they see, hear, feel, and smell as they learn, choose, interact, and bond with your brand.

Use your “brand journey” work from the discovery phase as a basis for remodeling the experience.

One of the advantages of modeling is that you can vary the level of realism and depth. A sketch might be more than enough in some instances; a small mock-up perfect for others.



3. Model the Future

Translating ideas into expression and action isn't easy. It takes specialized experience and talent. Much like the research methods described earlier, you may need specialized help.

But even if you're not a trained marketer, designer, writer, organizational guru, or process engineer, you can oversee and guide the process. In fact, fostering the collaboration of the organization and disparate creative and strategic talent is what separates mediocre from magnificent brand programs.

DuPont's decision to spin-off its synthetic fibers businesses put a high-stakes process into motion. The challenge? Merge \$6.2 billion worth of businesses into a cohesive new entity and brand. That meant creating a strategic brand positioning for what would be the world's largest stand-alone integrated synthetic fibers business, creating a new name and identity, and developing an actionable model of how the newborn giant would look, sound, and act. Even before it had its new name, "INVISTA," the organization had modeled how it would tell its story—from beginning to end—from one end of the world to the other.

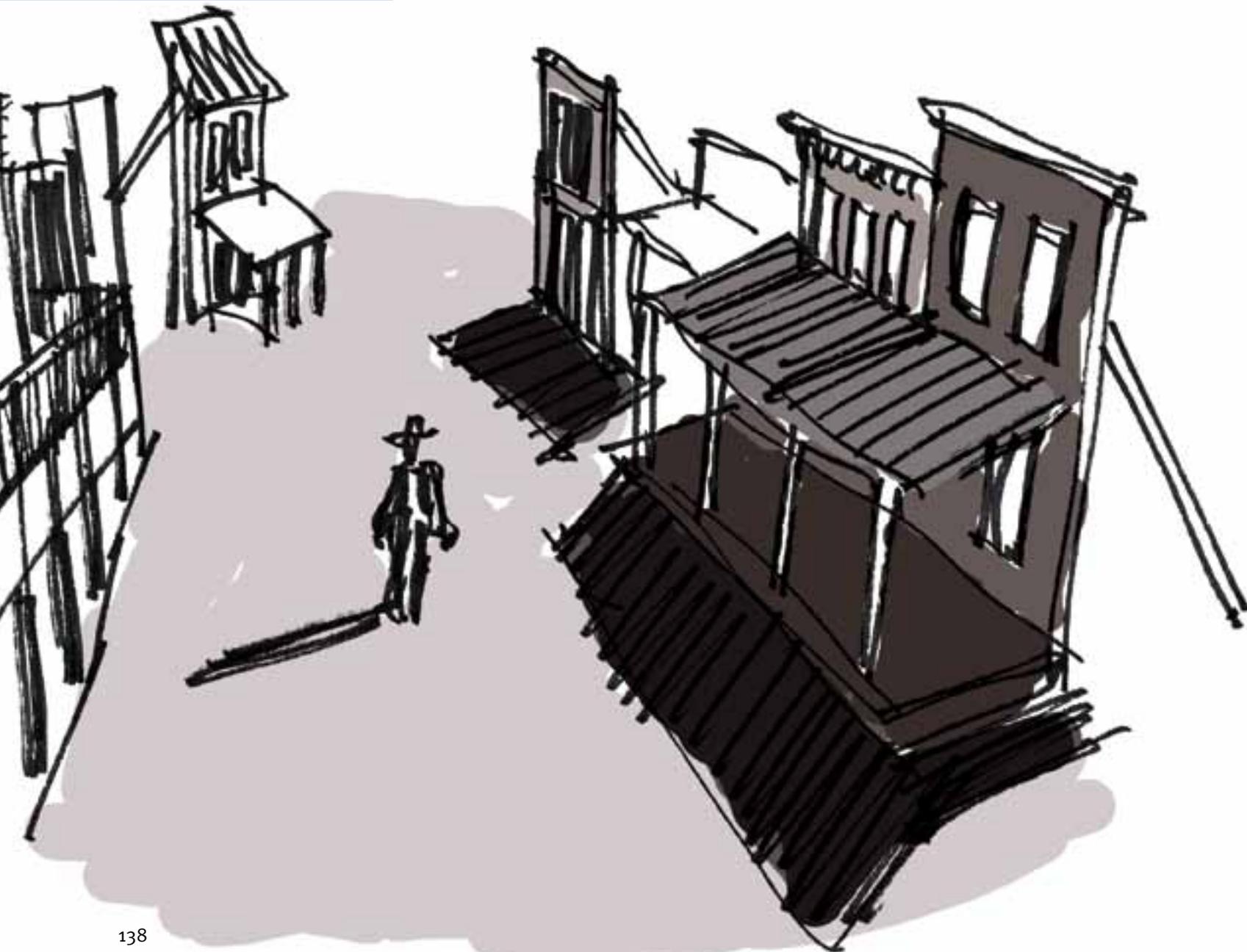
1. Recast the journey

2. Prioritize ideas

3. Model the future

4. Test

5. Embed



Modeling the future of the brand is not logo development. While identity development can be a folded into the process (see the next chapter), its purpose is to explore how the organization might change everything for the better.

You have to keep in mind that you're planning a complete journey, not a series of disparate events. Consider what happens over a period of time. What is the short-, medium-, and long-term impression created by the organization? How can the brand project a powerful and coherent voice wherever it lives?

Consider more than surface changes. Be bold. Reorganize divisions, acquire companies, hire new talent, and shed outdated ideas and product lines. Remember, this is a risk-free simulation of what could be.

Explore more than one path forward. Take the opportunity to broaden the possibilities. Don't reject outliers. All you need are talent and pencils to bring the ideas to life. Capture the spirit of ideas. Quickly.

Create a series of examples that illustrate the journey of each key audience. Review and refine with leadership and key parts of the organization. Tie the examples back to their strategic underpinnings.

Once you've thoroughly explored what's possible, you're ready for the next step: concept testing.

Modeling the future of a brand is a bit like creating a stage set that's complete enough to tell a convincing story.

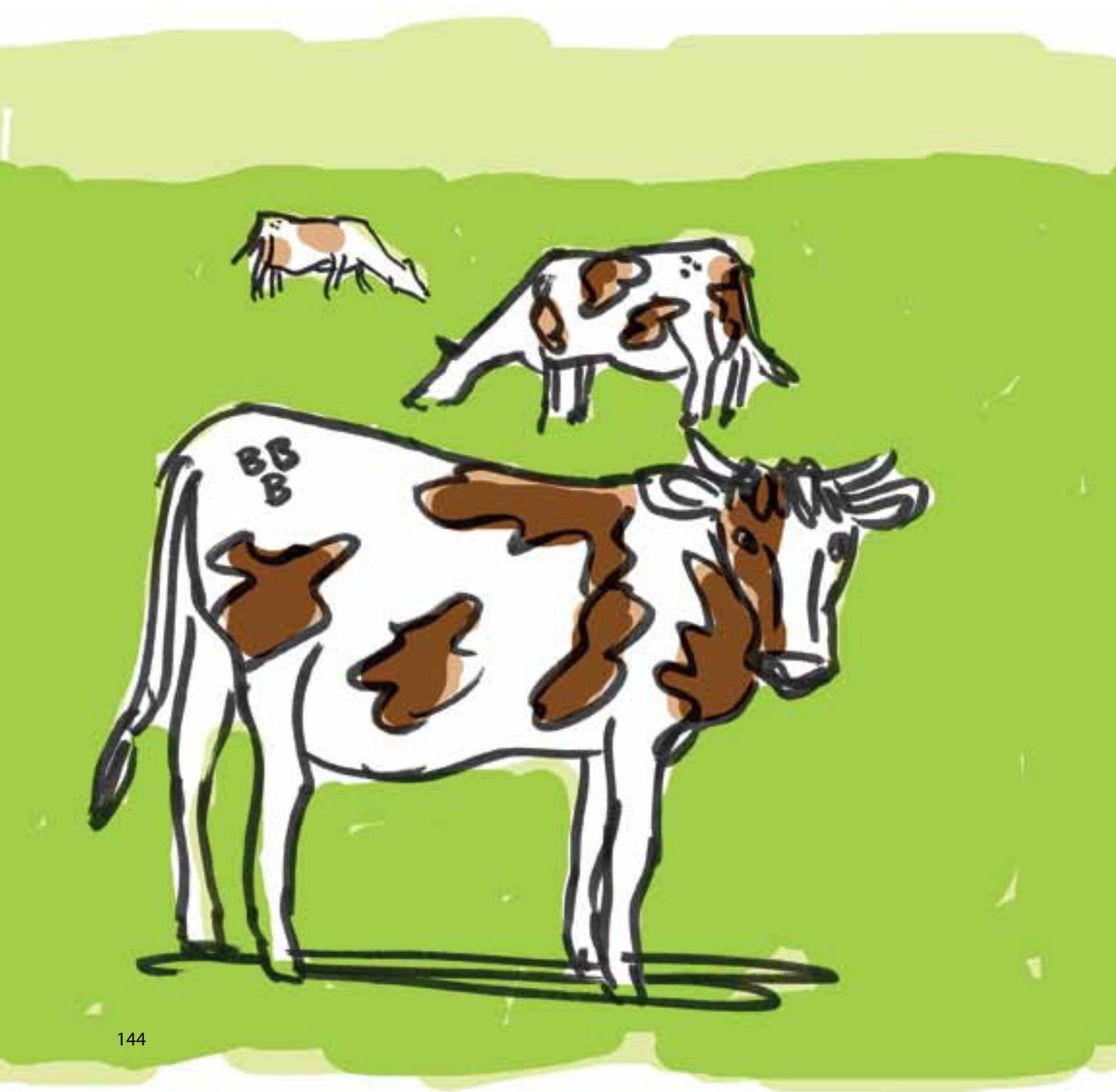
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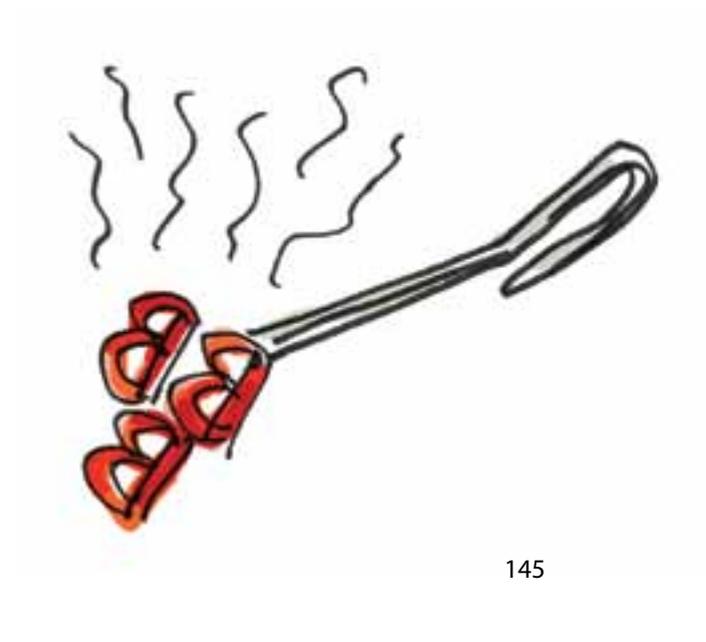
4. Test

5. Embed



Identity

Identity is a container of meaning. Meaning that can be trademarked and protected.

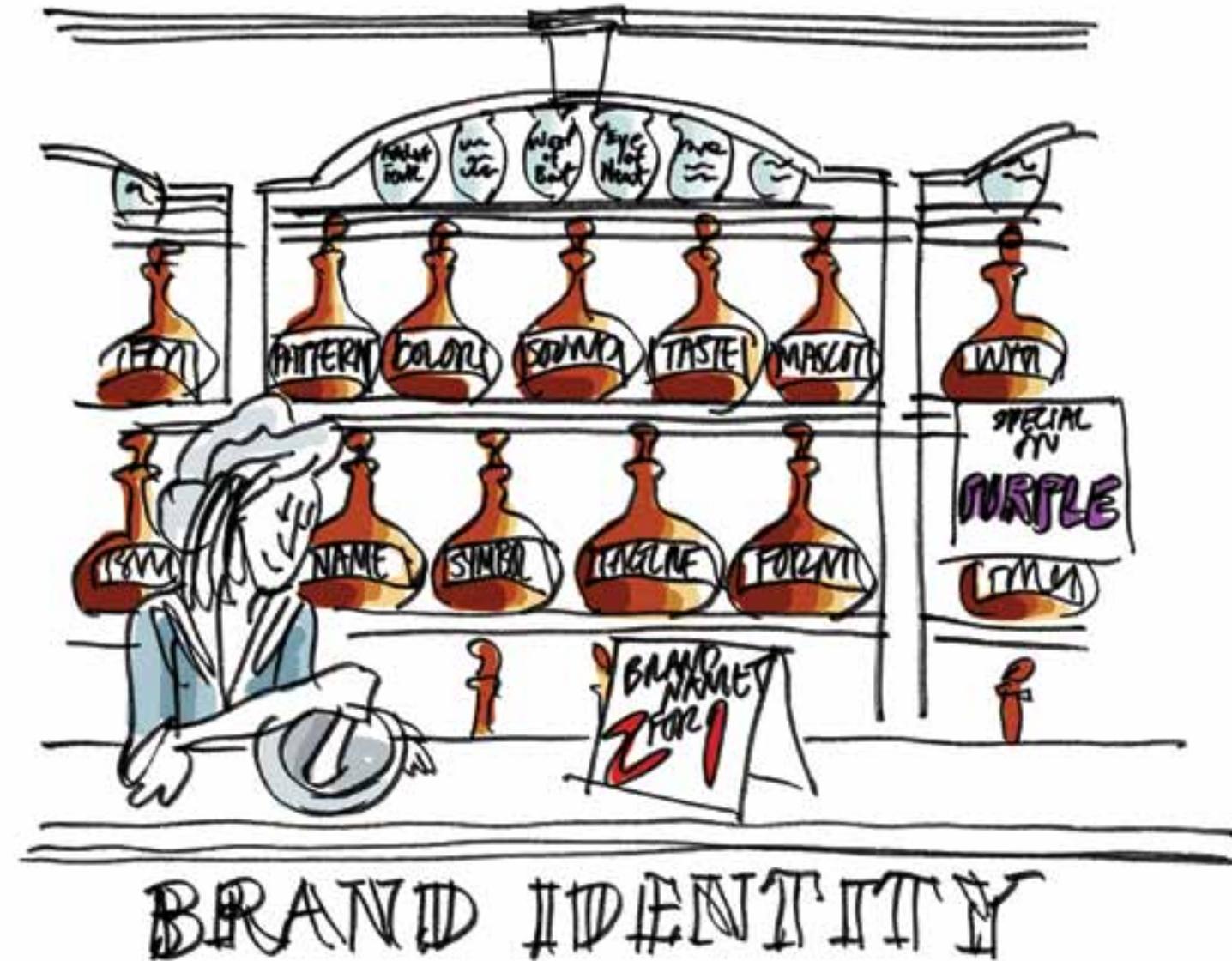


If you've been following the arc of this book, you already know that brand experience is the real world manifestation of the brand. In a sense, it is the content of identity. Brand identity is the container of that content and meaning.

Brands, as you know, were created as a way of marking property—asserting ownership. Trademarks, and later, trademark law, were created to protect the ownership of meaning.

If brand experience is the content of identity, brand identity is its container.

For our purposes, identity includes all of the core elements that form an ownable container for brand meaning.



To optimize an existing brand identity, you will need to consider at least five fundamental strategic dimensions.

Equity—the value in existing brand elements. Changing an existing identity is a business and cultural decision. The elements and form may objectively need to evolve or be replaced—but you have to consider the loss of brand recognition and the emotional loss that some will feel if a beloved identity is changed.

Fit—the gap or alignment between what exists and what the brand character and positioning require. This book outlines the development of clear brand definition—a benchmark for the fit of the brand identity. Use that work to assess the gap between what you have and what you need. Align your identity with where you’re headed.

Effectiveness—the performance of existing brand elements. In addition to effectiveness of “fit” with the brand definition, consider technical effectiveness. Does the identity attract positive attention? How well is it differentiating the organization from competitors? Does it work well in new media as well as the old? Will it remain legible at small and huge sizes? Do people inside and outside the organization like the identity?

Signal—the magnitude of the “splash” you want to make. Identity is often the most immediate and visible sign of change. Are you trying to quietly evolve? Break with the past? Attract intense attention? Will everything change at once (expensive) or over a long period of time? The intensity of the identity signal can be modulated to fit the strategic parameters.

Cost—The money, time and attention needed to make the new brand program work. For most organizations, the decisions about brand identity change are not actually dictated by costs—just the perceptions of the cost.

Equity

Fit

Effectiveness

Signal

Cost

The reality is that the kind of brand work outlined in this book is almost always tied to substantive strategic change. There’s nothing trivial about how a better brand affects the acquisition and retention of customers, talent, investors, and others. The payoff on this kind of effort is substantive, and the larger costs are generally a capital expense that can be depreciated over time.

Identity strategy should be calibrated to balance the sometimes conflicting imperatives of these dimensions.

A Brief Bio

Scott Lerman has built his career by helping companies navigate critical moments in the creation, transition, and extension of their brands. His broad and deep expertise in integrated brand consulting, research, corporate identity, naming, design, and implementation comes from nearly three decades as a leader and practitioner.

In 2005, Scott founded Lucid Brands, a brand consultancy dedicated to the development of world-class brands. Before founding Lucid Brands, Scott led two leading brand consultancies. During his 17 years at Siegel+Gale he held a range of senior positions, including President. In 2001, he was named President and CEO of Enterprise IG, Americas (now The Brand Union). He started his career in brand identity with a humble stint as a paste-up artist at the legendary firm, Chermayeff & Geismar.

Over the years, Scott has led defining brand engagements with 3M, American Express, Bayer, Caterpillar, DuPont, Engelhard, First Data, Grand Brands, Harley-Davidson, INVISTA, JCPenney, Kodak, Lycos, The Metropolitan Transportation Authority (MTA), National Semiconductor, Owens-Illinois, PNC Bank, Readers Digest, SWIFT, Towers Perrin, The U.S. Mint, VOIS, The Washington Center, Xerox, Yola, Zachry and dozens of other organizations around the world. He is currently seeking a client with a corporate name that starts with “Q”.

Scott is on the founding faculty of the School of Visual Arts Masters in Branding program. He has explored the issues shaping businesses and brands in *The Design Management Review*, *The Wall Street Journal*, *The New York Times*, *Identity*, *Revolution*, and other publications. He is on the advisory council of The Design Management Institute and served on the founding board of the AIGA’s branding chapter. Scott has lectured at Columbia University, Thunderbird School of Global Management, J.P. Morgan, Apple, AMA, and many other outstanding organizations.

To learn more, go to www.lucidbrands.com

