



What is the value of a strong brand?

By J. Spell

There are many good reasons why brand development can be a difference maker for your business. At any scale of operation. To any audience of interest.

Here are ten of those reasons for your information and consideration:

REASON 1: it separates you from competitors

Let's start with the obvious. If no one knows you exist, your business will fail. If people know who you are and can tell a difference between you and your competitors, your future has a great deal more potential. By establishing a reputation of unique benefit and value, customers, prospects and other marketplace observers perceive you as distinctly significant and worthy of individual consideration in any market action. That translates into improved awareness, attention and a position of authority and strength. On the other hand, the lack of a clear difference relegates you to the easily dismissed muddled mass of mediocrity. And that means low interest, influence and a competitive position of weakness.



REASON 2: it attracts customers to you

Even at a very basic level, where your brand reputation is directly associated with one strong product feature, it has the ability to attract the interest of your prospects and customers. That's because they can appreciate the benefit available from the reliable delivery of that functional performance characteristic. But a truly powerful brand can push your audience influence to a whole new level. Where it becomes aspirational. Now instead of simply recognizing your brand for what it helps them do, your audience attributes even greater value to you because of how your brand makes them feel. This includes, but isn't limited to, the emotional desires for safety, beauty, acceptance, comfort, convenience, etc. The fact is, people will pay a fair price for what they need, but they'll do almost anything for what they want.



REASON 3: it keeps customers loyal

When customers think of your brand before the competition and trust it to deliver a positive benefit for their investment, they're much less likely to seek alternative solutions. This is the glue of brand loyalty. The appealing expectation of a clear, brand promise and the daily fulfillment of that commitment. So customers regard your brand as a consistent solution they count on to make their life or work easier. To save them time. To eliminate the worry of dissatisfaction. To create a comfortable routine that produces predictably satisfactory results. And, not surprisingly, customers who are satisfied tend to buy higher volumes, with greater frequency and less sensitivity to price.

REASON 4: it increases product value and price

Over time a consistently communicated and reliably demonstrated brand increases in value. Not only as a marketing tool, but also as a measure of a business's total financial value. In fact, for the last 20 years, Interbrand, an international brand consultancy, has published their annual listing of the top 100 brands based on a calculation of each brand's contribution to its company's earnings and future earnings potential. Their numbers represent real dollars attributable to the ability of the brand to attract business. In addition, a strong brand allows a product to command a higher price. In an often-quoted study from international advertising agency BBDO, the leading brand in a category was found to command a 40% price premium over a generic brand and a 10% price premium over the number two brand. Prove this yourself the next time you are in the grocery store. But the takeaway isn't about a specific price premium or dollar contribution, it's that a strong brand delivers measurable financial benefits to both consumer- as well as business-focused companies.

REASON 5: it reduces the cost of sales

Another way to measure the financial value of a brand is cost savings. Lowering your cost of sales to be more specific. That's because a strong brand has already attained a certain level of awareness and positive equity in the mind of your audience. And because it requires a greater investment to launch a brand than to maintain one, your strong brand can reduce your promotional expenditure, giving you more money to invest in other priorities. It's not uncommon for aggressive development efforts to require two to four times the investment of brand maintenance. In a similar way, a strong brand reduces the amount of presales work required to prompt a prospect to consider a purchase. It decreases the time and effort needed to build comparative credibility. And it eases the anxiety of purchase regret so your entire sales process can progress faster and



more confidently, saving time, work and money for your sales force and your bottom line.

REASON 6: it provides internal focus and guidance

One of the greatest challenges your company will face as it grows is to maintain a clear, unified focus of direction and priority. Increasing demands for time and attention will test your leadership's ability to stay connected and coordinated with the core principles that produced success. Divergent marketplace and departmental demands as well as an increasing number of new employees with new ideas can create a powerful wave of pressure to become reactive rather than proactive. A strong brand can give your entire organization a reference point for unity. Guiding leaders toward positive growth strategies and away from core conflicts. Keeping sales, marketing and manufacturing focused on compatible developmental opportunities. Recruitment and personnel targeted on employees with the right abilities to sustain excellence. And everyone operating with passionate purpose to deliver the brand promise of the organization to your customers.

REASON 7: it helps establish market credibility

Besides playing an important role in sales, a strong brand can also make a significant contribution toward earning respect and influence in your marketplace in general. First, your brand contributes a general awareness and positive perception competitors without clear distinctions struggle to generate. Then, when consistent with your brand's recognized strength and expertise, editorial and informational content you publish is granted a measure of authority. Authority gives you the opportunity to participate in industry events and with respected individuals. And participation in trade organizations, publications and exhibitions gives you a platform to exercise marketplace leadership and influence with prospects, customers and competitors for many years to come.

REASON 8: it motivates better employee performance

A large part of managing any group of people toward a common purpose is to keep them focused on the shared goal. And although you can't control the external distractions that draw some of their time, attention and energy away from wholehearted devotion to your business objectives, you can make the ideal of your brand difference a stronger motivating influence. First, by clearly defining your brand's customer promise to every employee so all will understand the entire organization's direction and commitment. Second, by demonstrating that strategy and investment at the management level are consistent with the brand's purposes. Third, by developing departmental plans, roles and responsibilities that are directly designed to deliver on the brand



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promise on a daily basis. And finally, by passionately encouraging and rewarding behavior that fulfills and enhances your brand reputation on a practical basis.

REASON 9: it is a valuable recruitment incentive

Highly talented recruits seek job opportunities that provide them the greatest platform for reward and development. That typically exists with companies who have a clear and focused plan for growth themselves. Your strong brand can create just such a positive expectation in the minds of potential hires just like it does sales prospects. It says we know who we are and what we do best. It says we have an expertise to offer and a purpose to fulfill. It gives recruits a cause that is engaging in a challenge that is inspiring. Even in the early stages of a new or revived brand development effort, the ability to define a uniquely significant marketplace potential is often more compelling than the proud declarations of past leadership or the hollow promises of unfocused passion.

REASON 10: it encourages financial investment

Just like top recruits search for companies they sense have a positive direction and are poised for growth, so do investors. And your strong brand can act as a billboard to tell them they need to take a closer look at what you have to offer. It reveals your understanding of customers, competitors and circumstances indicating the level of opportunity you perceive and the solution you bring as a result. This teamed with a powerful and compatible marketing message, management decisions consistent with your brand promise and enthusiastic employee support demonstrate a level of integrated purpose and promise that will set you apart as a company of much more certain return on investment.