



*Experience Authentic Transformation*

## QUICK GUIDE



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## **Brand Transformation**

Brands are the condensed expression of corporate crowning performances which are carried better than anyone else, consistently. When a company provides performances with consistent quality over a long period of time, these performances eventually settle into brand values that evoke emotions, keep promises, and give customers orientation for their purchasing decision. Brands allow companies to use this effect for sustainably high results.

## **Brand-Centered Corporate Management**

Brand-centered corporate management is a strategic management model for managing a company like a brand. With brand-centered corporate management, a company can create identity, initiate change processes, and adapt its internal communication to correspond with the brand. It leads to reorganization of customer management and the product development processes – from the first brainstorming all the way to manufacturing.

Unlike product or service brands, corporate brands address not only target markets, but also the job market, sales market, capital market, and other target groups with different value drivers.

To do so, the corporate strategy is organized in terms of content and function into a unified system in keeping with the brand. The brand is the most important value-adding instrument, so it should be deeply rooted in the corporate strategy.

The responsibilities of brand-centered corporate management include reduction of excess: It compresses its values into a brand that is used from the inside out as a value and performance reservoir.

## **Brand-Centric Transformation**

The implementation of a good brand strategy brings about change; it changes the awareness, attitude, and behavior of all managers and employees. This is a pleasurable but sometimes also painful process toward new greatness and attractiveness. Also, brands are guiding stars and footholds for managers – particularly in confusing times, a strong brand vision and brand mission provide the necessary motivation.

A company-wide brand culture shapes the thoughts and actions of everyone in the organization. Employees identify with their brand and transport their enthusiasm outward, to the customer.

If a company wants to act along brand-centered lines, meaning place the brand strategy in the center of its activities, responsibility for brand management can only lie with management.

## **Brand Analysis**

The brand analysis is conducted at the outset of a brand (strategy) process. It forms the basis for the subsequent brand strategy, which builds on the results of the analysis. It examines current and historic content and performances of the brand (brand inventory) and looks at the brand's style – current and retroactively (brand inventory).

The objective is to identify and condense the brand's countless peak performances (brand core values) and ultimately express them in condensed form through the brand positioning and the brand stylistics in an unmistakable, inimitable, and credible way using the entire marketing mix toolbox. This is how performances are perceived by the customer, remembered, recommended, and appreciated.

## **Brand DNA**

Brand DNA defines the credibility limits of a brand. Together with the brand stylistics, it defines the brand's personality and creates a clear identity, which is essential especially for employees and brand ambassadors. To manage a brand successfully, it is crucial that its DNA is recognizable and tangible at all brand touchpoints.

## **Brand Personality**

Brand personality stands for the nature and the identity of a brand. Its specific, unmistakable properties make the difference between this and other brands clearly recognizable. This differentiation is essential because it gives the brand individuality, exclusivity, and clear delineation from competing brands.

The brand personality is based on the brand values that have settled into a value cluster through consistently delivered peak performances. If the brand management is successful, the customer perceives these performances as values.

We can compare the brand personality with our own: We develop character traits that are reflected in our actions and perceived by those around us. The older a person or a brand, the stronger these traits and qualities become. With strong brands, consumers automatically associate these character traits because of unmistakable customer experiences.

It is therefore important to be aware of a brand's personality traits and to express its specific qualities, which derive from the brand values and the brand positioning, at all brand touchpoints. Only then is a strong brand perceived as having these traits, trust is generated, and lasting customer relationships are forged.

## **Brand Positioning**

The heart of any brand strategy is brand positioning. It defines what ambitious goal the brand is supposed to achieve. Brand positioning must satisfy three requirements. It must be:

- Developed credibly out of the brand itself
- Attractive for the brand's target groups and provide a benefit
- Differentiated from the competition's brand positioning as clearly as possible

The positioning of a brand is usually used only within the company: as an overarching target image. Its marketing translation – into a claim or a slogan – makes it visible to the public.

# **BRAND STRATEGY**

## **Brand Formation**

Brand formation refers to the controlled development of a company or product into a distinguished brand with a clearly defined performance.

The core task of brand formation and the development of a unique brand identity is to develop an unambiguous and sustainable positioning for the brand with which performances delivered in the past are translated into a sustainable promise. It is also about the question of what distinguishes companies based on their prior development history, and what competencies and topics they can credibly claim for themselves and continue to expand.

## **Branding Strategy**

A strategy helps to align one's thoughts, decisions, and actions with overarching goals. The same goes for the brand strategy: It defines the needed foundations of the brand and the goals to be achieved with the help of the brand.

- **Generic Brand**

A generic brand does not have an individual brand strategy. The only differentiating feature is often its price.

- **Single-brand strategy**

When using a single-brand strategy, a company aims each of its brands exclusively at a particular market segment. Each brand gets its very own "personality", which is managed individually and clearly set apart from the company's other brands. In brand lingo, these are called mono brands or product brands.

With this strategy, the name of the corporation remains in the background. However, the company name is deliberately kept behind the scenes: That way, the company can minimize risks caused for instance by negative press about one of the products.

- **Multi-brand Strategy**

When a manufacturer sells two or more brands in the same product segment, we call this a multi-brand strategy. Often, the brands that are part of the multi-brand strategy are conceived for different target groups or for different price segments. It is important that consumers recognize a credible brand differentiation and that the products differ either in terms of objective-functional or emotional characteristics and (added) value(s).

- **Family Brand**

When a company manages several products uniformly under one brand, we call it a family brand. They are often part of a common product group, product line, etc. – meaning the products are related. The benefit of a family brand strategy: Products can be managed quickly and at low cost under an established brand because they can take advantage of the existing trust and knowledge of consumers. Brand building efforts and marketing costs are therefore lower than with a single brand strategy.

- **Umbrella Brand Strategy**

An umbrella brand strategy describes the way an umbrella brand achieves brand positioning. It contains goals and principles of brand management and the brand architecture, which defines the relationship of the subordinate single brands (individual performances of the company) with the umbrella brand. An umbrella brand strategy is chosen primarily when the range of performances of an organization is too broad for the multitude of its single brands, or when the brand positionings of the essential activities fit together and can therefore be united under one umbrella brand strategy.

- **Sub-brand**

A sub-brand is generally classed under an umbrella brand or family brands. It uses certain elements of the overarching brand.

- **Microbrands**

The term microbrand refers to small-scale brands with a geographical or market-specific focus. These brands are only familiar to consumers in particular regions or market niches. Microbrands typically arise when a company is founded, so they have the character of startups or small companies. Quite often, the driving force behind them is enthusiastic fans of a product/service category or disappointed consumers who want to offer solutions to problems they have experienced firsthand. More and more frequently, this dynamic brand form is also used successfully by large enterprises.

Other branding strategies entail but limited to Lifestyle Brands, Luxury and Premium Brands, and industry-specific branding strategies such as culture or National brands.

## **Brand Architecture**

The brand architecture defines the hierarchical structure of the brand portfolio and its relationships. The brand architecture determines the relationships between individual brands – meaning their roles and positionings within the company as well as the boundaries and interfaces between the various business segments and products.

The aim of the brand architecture is to clearly emphasize the relevance and unique selling propositions of the brands and to establish an assertive order of corporate, assortment, or product brands for each market or segment.

Hierarchically, an umbrella brand generally stands above a pool of various sub-brands aligned with products or segments. This structure not only gives companies a better overview and easier management of their brands but also offers distinct cost savings in communication.

# **BRAND DESIGN**

## **Brand Symbol**

Brand symbols (familiarily called "logos") are visual characteristics of a brand. They represent the brand's personality and contribute to its recognition rate.

The personality of a brand is determined by its content (brand core values) and its style (brand style), which must express these brand core values.

The brand symbol is part of the brand stylistics and is made up of visual brand style elements. Quite often, it embodies an emotional value.

A good logo should have a simple, yet unique design that clearly shows the values of the brand. Abstraction is permitted and necessary to focus the idea behind the brand on one memorable symbol.



Symbols are easier to remember than mere text. Cult brands often have strong logos that illustrate and perpetuate the brand character. The name Pepsi immediately conjures up images of the three colored ball, white lettering on a blue background. With Target, it's an actual target colored in red.

Brand symbols foster and strengthen the buyers' identification with the brand. Their prominent placement directly on the product triggers an emotional reaction. This is particularly common with luxury brands, and it makes buyers feel part of an elite group that matches their self-image. The brand product with its symbol is elevated to a social status symbol.

Sporting goods manufacturers like Adidas also benefit from the emotional association of their brand symbol – the three lines of Adidas – with the values of integrity, diversity, and performance.

But the brand symbol alone is not enough to guarantee visual recognition of a brand: That requires a balanced interplay with other elements of corporate design.

## **Brand Style Elements**

All in all, there are twelve distinct categories where brand style elements can be found. The visual brand style elements include color, form, image, symbol, personality, architecture, and font. Non-visual brand style elements are rhythm, rituals, the senses (sound, taste, smell, feel), and the nomenclature.

Attractive and expressive brand style elements should fulfill the following criteria:

**Unambiguousness:** Every brand has its own patterns. They should clearly differ from those of other brands. In the alcoholic beverage segment, for example, a green ship is clearly associated with the brand Becks.

**Self-similarity:** The brand patterns have to evolve on the principle of self-similarity. This is a basic prerequisite for guaranteeing consistency and recognition. Logos can be adapted over time, but always with respect for the past. An excellent example of this is Nivea

**Assertiveness:** The denser the style of a brand, the more powerful its impact. The brand Sixt achieves clear and immediate recognition even in airports overcrowded with advertising.

## **Brand Design**

The term brand design describes the contemporary implementation of the brand style elements. It provides creative expression and keeps the brand up-to-date.

**The difference between brand design and brand style:** While the brand design is short-lived, brand style refers to the fundamental appearance of a brand and is characterized by predictability and continuity.

Metaphorically speaking, the brand style decides whether the gentleman wears a tie or not. The brand design determines what color the tie should be.

Brands with larger product portfolios also take advantage of the freedom of brand design. Take for instance the kidney grille in BMW's automotive design: The kidney on a 3-series BMW looks different than that on a 7-series BMW, and yet, it and the brand are unmistakable.

Creativity can only develop within defined limits. Brand design is therefore bound by strategic guidelines and brand rules. These are of particular relevance for multi-brand companies to take the best possible advantage of the synergy effects of the brand architecture and prevent a watering-down of the brands.

## **Brand Image and Brand Identity**

The term brand image describes the entire external perception – the image – consumers and society have of a brand. The brand image encompasses all ideas, opinions, associations, and emotions a person can have with regard to a brand or a brand product.

**What is the difference between brand image and brand identity?**

Part of the image consists of (sometimes downright human) characteristics that are ascribed to a brand. This is why the terms brand identity and brand image are often erroneously used as synonyms of one another.

The essential difference between brand image and brand identity is the perspective:

While the brand image describes the subjective perception from the outside, the brand identity is specifically controlled by the brand owner. The brand identity defines how the brand owner wants the brand to be perceived.

The better the brand identity matches the externally perceived brand image, the better the specific character and differentiation of the brand in the market. This is why it is crucial for a company to form a unique brand identity that perfectly matches the company itself and the brand.

The reason a good brand image is such a strong business booster is often presumed to lie in its high awareness. However, the awareness of a brand at best describes the scope of the achieved brand image, but not its content.

A good brand image is always the result of awareness and attractiveness.

## BRAND IMPLEMENTATION

### Brand Implementation

We talk about brand implementation when a brand strategy is put into practice. The best brand strategy can have no effect if it only exists on paper.

The big question is how to bring the brand strategy to life. So, let's clarify one thing from the start: Brand implementation is no little six-month project that is completed with a checkmark on the to-do list. Rather, it is an ongoing, continuous process that puts a company's ability to change to a hard test.

One large mistake is the erroneous idea that you just need to integrate the positioning and the one-word equity into the communication. Principally, implementation of a brand strategy happens at two levels: the external and the internal.

- **How does internal brand implementation succeed?**

To ensure that the implementation is a success, the strategy must become tangible internally – meaning directly in the company. Employees must be able to embody and live the strategy. Many companies use brand ambassadors to make that happen. These are employees who are trained to carry the strategy into the company to assist with the brand implementation. Other approaches are management training and establishing a brand steering committee.

Based on the strategy, a company can develop so-called beacon projects, which exemplify and illustrate the big project internally and externally. Such beacon projects can arise, for instance, from the question of what the strategy means in concrete terms for individual areas of the company – from purchasing to HR to controlling.

- **How does external brand implementation succeed?**

Externally as well, it must be made clear what the brand stands for. It is not enough to run new campaigns. Rather, the brand must shape every single touchpoint. This part of the brand implementation is the job of brand touchpoint management, which is often driven by the brand ambassadors.

In general, a company should, once it has developed a brand strategy, ask this question about every new measure (both internal and external): Does this measure support the brand? This makes it clear: There is no end to brand implementation. It is an ongoing process that has to be developed continuously.

## **Brand Management**

The term brand management refers to the operative maintenance and use of a brand. It focuses on the goals that were defined in the brand strategy and that must be achieved for the benefit of the company's success.

Brand management intersects with and influences a range of business areas, for instance, product design, internal and external brand communication, employee conduct, POS, and pricing. In all these areas, the aim is to use the brand's uniqueness for better sales but also maintain it to keep the brand attractive in the long term.

Brands and their perception depend on a variety of interrelated factors. Even if you generally like the products or services offered by a brand, one single badly managed touchpoint between a customer and an employee of the company can cast the brand in a bad light.

Because of this complexity, brands should operatively be managed with a few simple rules and their strict observance – as demonstrated by the success formulas of other complex systems in nature. These brand rules should be easy to understand and apply to employees of all levels (Internal Branding).

In order to control the perception of a brand as effectively as possible, companies should consistently monitor compliance with the brand rules. This way they can be sure that the brand conveys a consistent image regarding its values and brand stylistics at every brand touchpoint.

## **Employer Branding**

Employer branding encompasses all strategic measures intended to build, implement, and manage the employer brand. The goal is to position the company as a credible, attractive, and unique employer by means of development and communication of a brand-strategic No.1 position – internally as well as externally.

A successful brand attracts the right "potentials" and retains them, increases motivation, strengthens the company culture, and generates a strong image of the employer in the minds of those targeted by the communication. In the medium term, the business result and brand value are increased.

All this is based on the employer brand strategy, which is applied within the strategic framework of the corporate brand. Employer branding is therefore a crucial management tool for personnel marketing, significantly influencing and driving the entire (brand-centered) corporate strategy.

## **Brand Ambassador**

Brand ambassadors may be employees of a company or enthusiastic customers of a brand. Employees become brand ambassadors when they are proud of their employer and willingly communicate that pride.

There are brand ambassadors among customers as well – at least for highly attractive and inspiring brands. They identify strongly with the brand and are characterized by passion and loyalty to the product or company. Such brand fans also act as brand ambassadors because they communicate their enthusiasm for the brand in their social environment. This is an extraordinary added value effect: Recommendations of a brand from a friend or family member are at times more credible and convincing than any other form of advertising.

Strong brands, therefore, take care of their brand ambassadors, provide them for instance with advance information on new products, or invite them to brand events – always for the purpose of intensifying the positive viral effect and increasing brand attractiveness.

## **Brand Messages**

By brand messages, we mean all communicative messages sent out by the brand that a customer should be able to experience at all brand touchpoints.

Every strong brand has its own personality. This is based on the brand's core values and answers the questions: What is this brand like? How does it feel?

Establishing a strong brand in the market requires clear and stringent brand messages to be conveyed over a long period of time. The essential task of a brand message is therefore to set a goal through the simple and comprehensible formulation of the brand communication in order to build and maintain a clear and attractive brand image in the long term.

# BRAND CONFORMANCE

## Brand Rules

A strong brand is steered by means of a few, simple brand rules that can be applied in the day-to-day operative business and at all brand touchpoints. Brand rules serve to translate the brand strategy and absolutely have to satisfy six conditions:

1. Universally applicable
2. Clear
3. Formulated as a question
4. One sentence
5. Specific
6. Can be answered with "Yes" or "No"

Every brand has at least 30 to 100 brand touchpoints. For those touchpoints to create a consistent brand experience, all interactions that happen there with relevant target groups must be steered in the same direction. This is the only way the brand can develop the strength it needs to increase its attractiveness in the market and generate profits and increased corporate value.

Because one single negative experience can damage the reputation of an entire brand, brand rules are indispensable for managing the individual brand touchpoints entirely in keeping with the brand. These rules work on the principle of continuity and change: Continuity results when all brand touchpoints are subject to these rules. On the other hand, the brand rules should be reviewed at regular intervals to determine whether they need to be adapted to meet the continuous changes.

The brand rules organize only the "biggest construction sites" to be handled in the implementation of the strategy. Their application should therefore start at the most relevant touchpoints. The relevance of a touchpoint increases with its frequency of contact and influence on brand attractiveness. There is no limit to creativity in the implementation and interpretation of a rule.

## **Brand Touchpoints**

The term brand touchpoint describes one single perception by a stakeholder – meaning customers, suppliers, partners, employees, and owners – of a brand. Touchpoints are the gates to the perception of the brand performance and brand messages. They are what makes the appreciation and added value of a brand possible in the first place.

These many individual contact points between people and the brand are where the success of a company is decided – whether customers buy, buy repeatedly, recommend, or are willing to pay a price premium.

Very few brand touchpoints are singular or individual. Most are embedded between upstream and downstream brand touchpoints along the customer journey. The total experience of such a customer journey is defined by the weakest brand touchpoint. It follows that even the best brand strategy is of no use if it does not guarantee an uninterrupted, consistent customer journey through systematic brand touchpoint management. The implementation of the brand strategy can be facilitated at all brand touchpoints by applying simple brand rules.

Most companies have between 100 and 500 different net touchpoints per brand. These must be managed, whether they are part of the organization or not. The frequency with which stakeholders have contact with the individual touchpoints multiplied by the number of net touchpoints results in the number of gross touchpoints.

E-mail, for instance, is a net brand touchpoint. If the employees of a company write 2050 emails per day, that makes 2050 gross touchpoints. The number of gross touchpoints per net brand touchpoint defines the prioritization of brand touchpoint management.

## **Brand Fit**

The brand fit shows to what degree a brand touchpoint conforms to the brand and brings the brand to life for customers and employees. Only a good brand fit can guarantee a positive brand experience.



The brand rules can help to check how good the brand fit of a brand touchpoint is, i.e. how strongly the brand can be experienced at that touchpoint. Only when 5/6 of the brand rules are fulfilled do we speak of a positive brand fit.

The objective of a good brand fit is to enthuse and convince customers that this brand is the right choice. Particularly touchpoints where an above-average number of "Moments of Truth" (decisions) happen, it is of the utmost importance to achieve a good brand fit.

Brand touchpoints are already examined regarding their brand fit during the customer journeys. If it is not good enough, we generate ideas for optimizing that touchpoint as quickly as possible with the aid of quick wins. If a good brand fit is diagnosed consistently across all touchpoints, there is nothing to stand in the way of a thrilling brand experience.

## BRAND EXPERIENCE

### Brand Experience

The brand experience describes the experience of customers – or other persons like employees – with the brand. Such a brand experience – positive as well as negative – can take place at every single brand touchpoint along a customer journey.

The brand experience is less important in the brand strategy but plays a major part in the brand implementation. Only after it has been determined what the brand stands for (strategy) does "bringing it to life" and therefore brand touchpoint management becomes a key task. This is when it is time to not only communicate the brand but most of all to create positive brand experiences.

The customer journey helps to identify the brand experiences at the individual touchpoints. The collected pain points and gain points show how a brand touchpoint is perceived. The more gain points it has, the more thrilling the brand experience.

The brand rules serve as guideposts for optimizing the touchpoints in terms of brand conformity and ensuring a positive brand experience. They guarantee that the brand – what it stands for and what it promises – and the brand promise can be experienced at every touchpoint. This is the only way to create a thrilling brand experience.

## **Digital Brand Experience**

The term digital brand experience refers to the overall experience a consumer has with a brand at all digital touchpoints. Those can be for example websites, blogs, social media channels, apps, chatbots, and augmented reality.

The further digitalization advances, the more options emerge for brands to establish contact with their customers digitally. More and more digital touchpoints shape the customer experience.

Also, at more and more touchpoints the boundaries between the digital and analog world are becoming blurred. This is called no-line experience. Creating a consistent and specific experience in this digital world is crucial for a brand's credibility.

## **CRISIS PROTECTION THROUGH BRANDING**

We are living in a VUCA world – a world shaped by volatility, uncertainty, complexity, and ambiguity. In short: This is a time of permanent change. In this world, brands gain essential significance as beacons of stability and trust – both internally for employees, as well as externally: for the market and the consumer.

When brands are stable and agile at the same time, we talk of resilient brands. They are the best crisis protection if they excel in terms of 10 indicators measured in the BrandTrust Resilience Study:

- Price premium
- Volume premium
- Adaptability
- Sustainability
- Social relevance

- Indispensability
- Brand experience excellence
- Brand advocacy
- Employee pride
- Awareness

For a brand to make a strong contribution to crisis protection, top managers need to see the brand as a performance store and use it as an integrative corporate management tool. It is no longer enough to depend on innovation performances because these are becoming interchangeable more and more quickly – partly due to foreign competition.

## MEASURING BRAND STRENGTH

The strength of a brand manifests in how precisely it manages to occupy a monopoly position in people's perception through condensing its peak performances and conveying them in the market so that not the product but the brand triggers the purchase decision with its indispensability.

The measuring criteria vary depending on the model and provider.

- GfK in its "Brand Assessment Model" measures quality, brand awareness, uniqueness, sympathy, trust.
- BBDO in its "Brand Equity Evaluator" measures the degree of awareness and distribution, quality, brand personality, uniqueness, trust.
- Brand attachment Icon uses the iceberg model to measure image, uniqueness, sympathy, trust, attractiveness.
- Nielsen in its "Brand Performance" measures brand attractiveness, distribution, consumer acceptance, awareness.
- Prof. Gert Gutjahr is a multi-dimensional brand strength model. The five criteria are brand awareness, perceived quality, brand loyalty, brand fascination, and innovative capacity.
- BrandTrust in its "BrandTrust Performance Monitor" differentiates between the two dimensions of awareness and attractiveness.