

Building Brand Identity in the New Economy

An integrated brand identity — which starts with name, logo and slogan — must distill the brand promise in a unique and memorable way. Delivering on the promise — “brand as experience” — then becomes the key to building trust and long-term brand equity.

By Amy Campbell

New business models, new channels of distribution, the fragmentation of mass media and mass markets, deregulated industries and converging markets — some observers believe these market phenomena will spell the end of branding as we know it. As the information age enters puberty, the growing pains are now being felt as purchasing power is shifting to the consumer creating “reverse markets.”¹ Many once-comfortable, rock-solid brands and business models are at risk in the new economy as customer-centric brands and business models threaten to eclipse product-centric ones. Many old familiar brand names will endure, others may not. It is unlikely that Morton Salt (with its unmatched consistency in name, symbol and slogan) will loose out to a Lycos Salt. But brands in dynamic markets such as Fleet Bank, Merrill Lynch, or Prudential, may very well be run over by the likes of my Yahoo! check writer, my Yahoo! stock trader, and my Yahoo! insurer.

In a recent *Business 2.0* magazine article, “Shift into Reverse,” John Hagel and Marc Singer write that traditional branding operates on two marketplace constraints that make brands viable: limited information about vendors/products, and limited shelf space. When pricing or feature information is not available, “brand becomes a proxy for imperfect information.”

In the information economy, the consumer-based, reverse markets remove these constraints forcing companies to rethink the role of brands.² Branding and marketing expenditures traditionally are front-loaded aimed at attracting attention in advance of the purchase. In the new economy, brand needs to be less image focused and more experience focused, or as Boston Consulting Group’s Philip Evans and Thomas S. Wurster have termed in *Blown to Bits*, “brand as belief” and “brand as experience.”³ In this new setting, the brand experience begins (not ends) with the sale.

Where Does Brand Fit In?

Internet technology and access to rich information will continue to aid consumers and supply chain buyers (via intelligent “shop bots” and navigational services) and drive prices/margins toward zero — creating a commoditization of products and services. In this scenario, brand is the only way to differentiate products and services. Differentiation will no longer be based on quality or price, or performance — which will be about equal — but on emotion and the customer’s total “experience” with the brand. While new technology brings more information, there are still only 24 hours in a day. How does a vendor begin to get a message through? The answer is still branding. An integrated

brand identity — which starts with name, logo and slogan — must distill the essence of the brand experience promise in a unique and memorable way.

Figure 1. Branding 101

Brand Identity = Name + Logo + Slogan*

*derived from a positioning statement

The dynamics of the new economy do not eliminate the role of branding, but rather intensify it. To meet the task at hand, however, the brand identity must be more than graphic design, clever word play and window dressing. A brand identity needs to go beyond the value *proposition* and must *deliver* on the promise. This is done by creating a brand experience that begins with a positioning statement and permeates the entire organization. By “institutionalizing” a brand,⁴ based on customer experience, a company can begin to build true brand loyalty and brand equity.

The number one brand of all time, Coca-Cola, built its strong brand equity through a brand as experience approach. With Coca-Cola, “the brand is the taste, the curvy bottle, the logo, and the set of consistent emotional and visual connotations that the drink carries by merit of a century of advertising...”⁵ and cooperative marketing relationships and sponsorships. Others who have succeeded in moving toward the “brand as experience” approach are Disney, Nike, Mercedes-Benz, and newcomer Amazon.com.

Creating a successful brand identity in this new age will require more precision than ever, squeezing the strategic water from the stones of name, logo and slogan. Few brand owners do all three exceptionally well.

What’s in a Name?

The name is an integral part of the brand identity and serves as the first impression. In subbranding (Thinkpad, for example), names are usually appropri-

ately strategic. When used at the corporate level, however, names are often overlooked for their role in the “holy trinity” of brand identity. Often times names are inherited — named for an owner, inventor, or an acronym for long descriptive names. Just because a name is inherited doesn’t mean it can’t work; look at Disney, Merriam-Webster’s, BMW, IBM. Despite the fact that the names do not send a specific message does not mean that they cannot become strong brand names, but the names mentioned above have been established over many years of brand building. As a general rule, alphabet soup names don’t win much brand identity.

A naming strategy must take into account the branding architecture — should the corporate name be used, or a subbrand created or extended? The benefits and liabilities of extending a brand versus creating a new one must be weighed. Extending a brand is quicker, cheaper and easier, but may dilute the brand. Using the existing name may cause confusion if the new brand is not a “good fit.”

Generating a meaningful brand name is an increasingly difficult task due to myriad names already in the marketplace. According to the branding firm I.D.Entity, there are 750 nameplates for cars, more than 150 brands of lipstick, and 93 brands of cat food! More than 750,000 names are registered with the U.S. Patent Office, and more than 125,000 trademark applications are filed annually — 10 times greater than the average person’s vocabulary!

In the battle to attract attention and make a memorable impact, the trend in naming — especially for dot-com businesses — is coined words such as Flooz, Teligent, Globix, Naviant, Digex, Portera, and unusual word combinations such as Razorfish, Firepond and SquareCircle. Most of these names don’t mean much on their own (which is a good thing; no baggage) allowing the owner to define precisely what the brand associations are for a given name. They are distinctive and different. Brand names, however, must be tested with customers and also tested globally.

In the new economy, names say a lot. Should a company change its name to indicate that it, too, is changing with the times? As companies merge, and merge again, which names should be kept and which names discarded? Can co-brands exist and be meaningful? Existing names carry brand equity, but how much? Can the old name be repositioned successfully, or should a new name be given to the merged entity? Each case must be evaluated individually taking into account the brand equity, brand associations and brand image of each brand involved and the direction of the newly formed entity.

Brand as Symbol

The logo (and slogan) work to strengthen the identity established by the name. As symbols, logos are visual and as such have been shown to be more memorable than words. The human brain interprets and receives pictures easier than words, and symbols can be effective in any language. For example, the “golden arches” are easier to recognize than the name McDonald’s here in the United States as well as in Bombay or Beijing. As businesses become more global, logos and symbols become more important in branding identities. The Nike swoosh can be recognized by athletes worldwide even without the Nike name attached to it.

Consistent use and positioning of a logo in conjunction with the name creates uniform, recognizable product packaging and communications materials that become familiar and impart a professional, unified image. Today’s logos must be carefully thought through from a production standpoint. They should be easy to reproduce not only for print ads and t-shirts, but also for web sites, multimedia and animation. And as multimedia becomes more prevalent so will the use of “sound logos” — not a new concept (consider the NBC chimes or the 60 Minutes tick-tick-tick), but one not used widely to date.

Unfortunately, not all logos create a favorable impression. Test show that many logos can actually send

negative messages about the images of their brands.⁶ The lesson here is to test. In all branding activities, test your assumptions with your customers. Remember, how a firm *positions* its brand is not necessarily how a customer *perceives* the brand.

Slogan that Positions

The name and logo can only say so much. Taking the brand identity a step further requires strategic use of a well thought out slogan. Together the name logo and slogan form an integrated identity that can and should be used in union to provide the full positioning message.

When positioning a brand with name, logo and slogan, be aware of the competition. Branding efforts should avoid competing for the same value proposition as another firm. Rather own a unique position. Slogans, therefore, should stem from the company’s unique positioning statement. As such, they should try to identify a single clarifying message that makes the brand stand apart.

Brand consultant David A. Shore, who collects and studies brand slogans, argues that the most effective slogans usually contain 5 to 7 words. Slogans must be long enough to say something meaningful, but short enough to be memorable. The recent trend for short, one-word slogans can leave the target audience more puzzled than enlightened.

In a recent issue of *Business 2.0* magazine, these slogans were used on pages in succession:

- FileMaker Pro 5: Manage your data from desktop to web
- ASD Systems: From click to consumer
- Ernst & Young: From thought to finish

The slogans above are somewhat descriptive, but not very unique. A few other slogans in the same issue seem to do a better job of building a unique identity using a more meaningful and memorable phrase:

- CyberSource: The power behind the buy button

- Sony Digital Imaging: Change the way you see the world
- Goto.com: Search made simple
- Netcentives: Rewarding Relationships

Brand managers and ad agencies tend to want to change the slogan with each ad campaign. Other companies don't even use slogans. Brand managers would do well to capitalize on the power of the slogan as an integral part of the identity trinity. This trinity should be revered and maintained. Consistent use over a long period of time will strengthen the brand. While the Internet has made it easier to build brand *awareness* almost overnight, brand *relationships* are built over time. Repetition and consistency builds trust, which translates to brand equity. Names, logos and slogans can change, but they should do so carefully. In *Building Strong Brands*, David Aaker uses the example of the General Electric slogan which “evolved” its slogan

slowly over time replacing the word “electricity” with “technology,” and then to “progress” to update the slogan. Finally GE introduced an emotive slogan, “We bring good things to life,” which it has maintained consistently for quite some time.

The Brand Ecosystem

Brands do not exist in a vacuum. In *Warp Speed Branding*, Agnieszka Winkler speaks of the “brand ecosystem.” Especially for technology companies, brand relationships are complex and interrelated. She uses the example of a typical software product. It needs to be compatible with Windows and all computer brands. Add power requirements such as Pentium processors from Intel, and that can easily put five or more brands in the mix. Stakeholders in the brand ecosystem go beyond just the customer and competition to include employees, vendors and partners and many others — and all these relationships are constantly changing.⁷

Brand Identity Case Analysis

Apple Computer's “Think Different” — Branding the Bigger Idea

Apple Computer is an excellent example of a company that understands branding and uses the integrated identity to the fullest.

The Name - Apple is a familiar word, and a friendly name for a computer. One could say that the name is nontraditional, tempting, and cute. These are all associations that work toward the computer maker's identity as a different kind of nonthreatening, easy-to-use computer that empowers the user to think freely and creatively. Legend has it that Apple innovator Steve Jobs thought that the apple was the perfect fruit, and he wanted the Apple to be the perfect computer. Thus the name.



The Logo - The apple symbol with a bite taken out of it is simple and memorable. The bite has connotations to the Garden of Eden — insinuating that this is an irresistible and tempting product. The logo incorporates a multi-color (rainbow) that signifies diversity — the association here is that Apple is inclusive, not exclusive (the computer's early slogan, remember, was “the computer for the

rest of us.”). The logo is bright, cheerful and easily recognized. In fact, the symbol of the apple is so recognizable and strongly associated with the word apple, ads often do not include the company’s name because it is so readily implied.

The Slogan - While “Think different” is a short slogan, it says a lot. It causes some people to stop and think for it’s twist on grammar. (“Wait, shouldn’t that be ‘Think different~~ly~~?’ Oh, no, it’s like ‘Think snow.’”) That’s amazing for an advertisement.

The “Think different” campaign is a very effective and memorable campaign. When used in combination with the oversized images of the various “heroes of different” — Ali, Gandhi, Martha Graham, John and Yoko, Ricky and Lucy, George Gershwin, Jackie Robinson, and many others — the ads are extremely attractive, symbolic, memorable and communicative. These ads help to create the “relationship” with the customer as well as extend a promise to potential users. The ads, however, go beyond attracting new users, they are actually “rewarding” their extremely loyal customers. The campaign associates Apple users with the famous original thinkers used in the images. The ads make users feel better and smarter for using Apple products, for not following the crowd, for having the courage to follow their own beliefs, despite the ridicule of Windows users. It’s brilliant!

But there’s more. Apple takes the integrated identity concept one step further, by incorporating the customer “experience” into the actual design of the



product and the user interface. Every day, Apple customers use their computer. It is not just a grey box with a monitor. It is a piece of art — highly stylized, in the user’s choice of color and configuration, with a

look-and-feel that is unmatched in computing. It is different to behold, fun to touch and use, and smartly packaged incorporating sophisticated graphics, trademark sounds and customizable feedback. *The product is the experience.* People who use Apple computers, like to think of themselves as creative, original types, and the product (both hardware and software) meets their expectations in an actual physical and emotional way.

Apple has institutionalized the brand. The whole company reflects the brand. It has not branded the product so much as it has “branded the bigger idea,”⁸ which in this case is the alternative, non-Windows solution, that allows more freedom and self expression.

This is smart positioning for Apple, a company that pundits have argued for years may in the long run be less a hardware manufacturer than a software developer. As technologies develop and networks converge, the “Think different” campaign strategically positions Apple to play almost any role — software developer, OS developer, internet guide, design portal — as long as it is innovative and “different.” In this way, Apple has successfully created a name, logo and slogan that creates a brand identity and brand equity that is truly portable.

Notes

1. John Hagel III and Marc Singer, "Shift into Reverse," *Business 2.0*, p. 35.
2. Hagel and Singer, p. 35.
3. Philip Evans and Thomas S. Wurster, *Blown to Bits*, p. 162.
4. Chuck Pettis, *Technobrand*s, p. 168.
5. Evans and Thomas, p. 162.
6. Pettis, p. 173.
7. Agnieszka Winkler, *Warp-Speed Branding*, pp. 144-153.
8. Winkler, pp. 69-71.

Resources

David A. Aaker, *Building Strong Brands*, Free Press, p. 232, 1996.

John Hagel III and Marc Singer, "Shift into Reverse: Purchasing has shifted to the consumer, and marketing will never be the same." *Business 2.0*, pp. 34-41, March 1999.

Philip Evans and Thomas S. Wurster, *Blown to Bits, How the New Economics of Information Transforms Strategy*, Harvard Business School Press, pp. 150-152, 162-165, 1999.

Jack Trout, *The New Positioning, The Latest on the World's #1 Business Strategy*, McGraw-Hill, p. 101-116.1996.

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