



## MODULE 1: WHAT IS BRAND AND WHY DOES IT MATTER?

Welcome to Module One in the **Red Slice Brand Bootcamp** series:  
*What is Brand and Why Does it Matter.*

SLIDE 2: In this session, you'll DISCOVER what brand really means and why it matters to your bottom line, you'll LEARN the differences between branding, marketing and PR and how to use each – as well as how to ensure you invest in each one wisely and understand what type of results to expect. We'll BREAK DOWN the marketing buying cycle so you can clearly see what needs customers may have along the way before they decide if they want to buy your product or service and finally, we'll ARTICULATE what you do and why it matters.

SLIDE 3: First, a quick exercise. Now, I know I can't see you but no cheating! On your screen, you can see several organizational logos. Choose one and without hesitation, write down the immediate words, phrases, images or adjectives that come to mind. What impression does just seeing the name or logo evoke for you, off the top of your head? You can pause the session if you like to do this.

The point of this exercise is that you form an impression of the organization quickly. And that reputation is based on your experiences across ads, personal experience with the company or products, press, and even visual cues. That perception might differ for each person, but if the organization has done its job well, it tries to influence everyone in its target audience in the same direction with everything it does and says. That is what BRAND is all about!

SLIDE 4: **More than a logo, brand is everything you experience with all of your senses and with everything the company does.** An organization can try and influence this brand as much as they can, but ultimately, it lives in the minds of customers. It's the space in people's brains that the organization occupies – their "mental file drawer," if you will; the part that "lights up" when they see or hear your name or messages. Do they slot you in "cheap and disposable" or "luxury craftsmanship"?

Intentionally crafting your Brand Strategy can help you easily align all your activities and communications. That strategy can help you avoid wasting time and money reaching the wrong people and serves as a compass to guide the overall marketing plan: It should help you avoid bad investments. For example, monster truck rallies draw thousands of people. But would Nordstrom, a brand focused on higher end customer service that is not necessarily geared toward that monster truck audience, ever sponsor a Monster Truck Rally? Probably not! Now while this is an obvious example, many business owners often make a similar mistake and invest heavily in a marketing tactic that "everyone is doing" or that looks like a good deal. A proper Brand Strategy will help you avoid getting sucked in to such investments, partnerships or even hiring the wrong people.

SLIDE 5: Here's the simple truth: Effective branding is not about how much money you spend, but about how clearly and consistently you communicate the right message to the right

audience through everything you do. Your actions can have powerful impact if you just choose to do the right things that hit the mark every time, rather than simply blanketing the world. I promise you that no one ever thinks they have enough money for marketing – I'm sure there's an executive at Apple or Toyota complaining about their paltry budget as we speak!

SLIDE 6: Brand matters to your bottom line in three crucial ways – I call them the **Three C's: Clarity, Customers and Coin**. First, brand **clarifies** what you should say, who you should say it to and how you should spend your time and money. It serves as a compass or Litmus Test for all your marketing – and even operational – decisions, which means you spend more wisely and invest in the things that work. Second, a strong brand does much of the heavy lifting for you and attracts the right **customers** to you. When you're clear and consistent in your message and value to them, they will line up at your door. And finally, **COIN!** A strong brand helps you differentiate from the competition, withstands tough economic times, helps you avoid becoming commoditized based on price, and, as we'll see in a moment, inspire customer loyalty and word of mouth to make your cash register sing!

SLIDE 7: BrandZ is the world's largest brand equity database, validated across thousands of studies worldwide. Created in 1998 and continually updated, BrandZ contains data on brands in more than 200 categories. They interview over 150,000 consumers and professionals every year in up to 400 studies around the world. Their brand report comes out every year and it's a treasure trove of insights on trends and performance.

This chart shows that from 2002 to 2012, brand has started playing more of a factor in purchase decisions while price considerations are decreasing. As this quote says, "The preference for brand alone remained strong even during the recession." That's pretty powerful stuff. People are loyal to brands they love, even in tough times.

SLIDE 8: This chart shows how the brands in the Top 100 BrandZ index of portfolio companies have outperformed the S&P 500, even in the recent recession. The comparison shows that strong brands outperform the stock market benchmark by a wide margin—103 percent. The takeaway here again is that people are loathe to cut spending when a brand is so closely tied to their trust, emotions or personal identity so having a strong brand can protect your business in tough times. You can learn more at [www.brandz.com](http://www.brandz.com).

SLIDE 9: So how do you know a strong brand when you see one? Well, there are about **five signs of a power brand** and they can apply to any size business - whether a global conglomerate, a local hardware store or an independent consultant.

First, **people are proud to say they work, partner or shop with your company**. For example, Apple has built such a strong brand for itself that people want to have access to the "halo" effect about what that brand says about them and will clamor to promote them as a customer, build apps for their store or even wait in line for hours for the newest iPhone because of what it says about them.

Second, **customers spread your story for you**. They turn into unpaid sales reps or evangelists for your company. If someone has ever sent you a referral, that's what I mean. Think of Harley Davidson, a lifestyle brand, whose customers will actually tattoo the company logo on their arm! That's effective word of mouth which impacts others like them and perpetuates sales. Or think of Virgin America, whose customers generate their own YouTube videos about how much they love the airline - for free - and post them online. If your customers are talking about you and promoting you without being asked, that's a sign of a power brand!

Third, **if you can elegantly recover from your mistakes, this shows you are a power brand**. Think of JetBlue: Many years ago, it had a PR nightmare on its hands when flyers were stranded on the tarmac for hours due to East Coast storms. They had built a brand which relied on being different from the other airlines - friendlier, hassle-free - so this was not good. However, they took responsibility, remained completely transparent with the public about what they were doing to fix things and even got executives out to the airport to handle baggage, check people in, etc. Not only did they handle this as a "power brand" would, they also had so much "brand goodwill" built up in their bank account and handled things so effectively, that people were more forgiving of their missteps when they happened, versus, say a BP.

Fourth - and this is one small businesses have a hard time with - **some people (outside your target) don't like you**. Your brand is about speaking to the right people at the right time: to your ideal customers, your tribe. You can't be all things to all people: otherwise, you'll be nothing to no one. If your brand is on target and resonates with your people, which obviously means it may not resonate with others, that is fine. It's not popularity content. I don't like certain pop stars, but I'm also not a tween so the companies using them for marketing to tweens don't really care if I relate to their brand or not! For example, Starbucks. Some people love them, as I do, for their consistency, convenience and function as a "third place" to have meetings or spend some time writing. I always know what I'm going to get and that is what matters to me. For others, they will stand their ground around their local indie coffee shops that may or may not have WiFi and may even offer stronger- and possibly better - coffee, because that is what *they* care about. Starbucks does not spend a lot of its time trying to convince those people to become loyal customers. They are not speaking to *their* needs: they are speaking to the needs of people like me. And same for McDonald's versus Starbucks: different needs, different benefits, and different audiences. A good brand often offers a polarizing effect because that means you are talking very specifically - and effectively - to the people who matter to your business.

Finally, a sure sign of a power brand is that **the media will talk about your impact on the industry, community or even the world**. People talk to the CEO of Zappos not just about selling shoes and accessories online, but about how to deliver excellent customer service online and how that has changed the game. He even wrote a book about it. It's not just about their products. The media don't care specifically about what you sell - that is not a story. But if you can offer a viewpoint and be an expert on a certain topic, trend, or technology, then your brand will be seen as powerful as well because it transcends what you sell or do.

SLIDE 10: Again, brand is more than a logo. A logo is only one way to convey a brand, a visual way. **You can convey your brand visually (design, logo), verbally (words you use, tone of copy) and experientially (employee quality, customer service experience)** Brand guides all these activities and communications. By communicating brand clearly and consistently through every single customer touchpoint, the brand becomes synonymous with you and differentiates you. Not every competitor can tell the same story or engage in the same activities, because the brand promise will be unique. Things like the copy on your auto responder emails, your store layout, the way your website looks, your order process – all of those things are customer touchpoints that matter. So little things mean a lot because they are just another way to convey your brand. For example, at Nordstrom, ever notice how when they ring you up, they bag your items and then walk *around* the counter to hand the bag to you, rather than schlep it over the high counter like a sack of potatoes? This is just another little detail to convey high-end, quality customer service. If your brand is whimsical and playful, the copy on your website should not be stiff, formal and boring, right? Think about all of your touchpoints: knowing your brand strategy will help you determine what to communicate through them.

SLIDE 11: This is an example of a wasted brand touchpoint. I signed up for the email list of a very fun, quirky company that used wonderful copy on their website and materials. It made me laugh and I wanted to hear more from them. But when I got this confirmation email, I was highly disappointed. It is completely devoid of the branding I had come to expect from them. How sad that they wasted an opportunity to convey their brand to someone who had signed up to hear more from them? I raised my hand to be part of the tribe and this is how I was rewarded. Think about the touchpoints you have with customers at every single phase and how you might be wasting them.

SLIDE 12: To impact our bottom line, we have to understand the buying cycle and brand's role in it. The buying cycle differs for every product and service. If it's chewing gum at the checkout line, it's kind of an impulse buy so it's fairly quick. If I'm looking for a new lawyer or buying a car, it's a bit longer. But every buyer goes through these stages to some degree, forming the "sales funnel" that ultimately narrows down to those who buy from you. It's like dating: you can't propose on the first date, so how do you "court your customer" and deliver the right messages at the right time? You can sum up the cycle by seeing your business through your customer's eyes: First, Who are you? That's **awareness** and you measure this through things like web traffic or social media chatter. Before I can buy from you, I have to know you exist, right?

Second, now that I know you exist, what do I use you for? I'm going to **consider** if you meet my needs or not and solve my pain points. So I'll engage with you a bit more deeply – perhaps sign up for a free paper or LIKE your Facebook page.

Now that I know what you do and how you might solve my problems, I need to **evaluate** you against the competition. Why are you better than the other options? Maybe at this point I request a meeting or I look at your testimonials, case studies or other "social proof".

OK, now I'm convinced. That leads me to **purchase**. Hurrah!

But it doesn't end there! You need to delight me, to fulfill your brand promise. If you do, I will recommend you to others or come back for more products and services – in which case I enter the sales cycle again, but *awareness* now becomes less important to me.

Brand plays a strong role throughout the entire process because you have to maintain the consistency. But it can play the strongest role during the Awareness phase. However, if you hook them and then nothing else you do through the rest of the cycle matches up to that first brand impression, you're going to lose me. I like to say brand is the "air cover" for enabling customers to get through this cycle more quickly, thus bringing you more sales!

SLIDE 13: When you choose not to consider brand, you are actually making a brand choice and creating an impression. But maybe not the one you want! I got this email from a winery that shall remain nameless as I love wine and have been a wine writer in the past. Factually, this email serves its purpose: it ticks all the boxes in telling me about their new release and where to find it. But it misses the mark in that, first, it looks like a business form letter in my email box – and the last thing I want to be reminded of when drinking wine is the office! Secondly, while the words say "a unique wine experience" what about this email says "unique" or even fun, or exciting, or magical? There is no imagery, the layout is atrocious. Lastly, they offered me nothing special for being a loyal member of their wine list. How about an incentive to your best prospects? What this email did was actually convince me that there was nothing unique or special about this wine and that if I wanted to impress the hostess at the next dinner party, or gather good friends together for a celebration, this was not a company I trust to deliver on what I want. They have just repelled a sale, rather than encouraged one! So remember, all those touchpoints matter and if you don't believe that, think about how quickly I formed the impression *not* to buy this wine, just from one email!

SLIDE 14: Which leads me to the next slide about delivering on your promise. You have to walk your brand talk. Many businesses fall down in that they *say* one thing, but the reality is quite different. And **when that brand promise is not met in reality, when not clear and consistent, you have an identity crisis**. This is why brand informs more than just your marketing: it can be the caliber of your customer service reps, or the ease of your policies in doing business, or your product selection. If the promise is not delivered through the operations of the company (not just the marketing efforts) you have a problem! For example, I worked for a tech start-up where we would highly tout in our messaging that our software enabled our clients to foster innovation. Yet, internally, the CFO would not approve a Microsoft Exchange Server to coordinate Outlook meeting scheduling - so you had to spend half an hour trying to schedule meetings and coordinate schedules offline or by phone. That is anything *but* innovative. Or when I worked for another tech company who talked a lot about agility and speed. But the Accounting process was a mess and we did not pay vendors in a timely manner. Why should anyone believe claims if you can't walk the talk? It's not enough to "slap a coat of brand paint" over your business – if you fail to deliver, it won't last long!

SLIDE 15: Many people confuse marketing with branding with PR, so let's demystify some terms right now: Marketing is the umbrella term for literally bringing a product to market. Marketing covers the **4 P's: Product (or Service), Price, Place and Promotion**. If you suffered through business school like I did, you may be familiar with this! *Product or Service* is literally what you are going to sell. *Price* is obviously what you will charge for it. *Place* is where you will distribute it or how will you get it to your end customers: online, retail, through resellers, etc. And finally *Promotion* is how you let your target market know about it. These are all marketing decisions and in a big company, these decisions all fall under the Marketing function. But many business owners only think about marketing in terms of the last P – Promotion. But as you see, marketing is much more than that. In order to effectively make all of these decisions, your Brand Strategy and promise is the foundation and should inform things like which partners you distribute through or which media you will advertise in.

When you peel back Promotion, there are various activities associated with it: advertising, events, PR, social media, etc. PR, or public relations, is just one facet of Promotion, which is just one facet of Marketing. It includes things like generating news stories, or getting 3rd parties to validate you and promote you rather than paid advertising. But it's not the same thing as Marketing as a whole, or even Branding. It's important to understand each of these definitions so you can understand what you need, seek out the right consultants or agencies and expect the right results!

SLIDE 16: Brand Strategy matters because you have to build a sturdy foundation for your house before you can put up walls or think about decorating! You should know **WHAT** you want to communicate and **TO WHOM** before you decide on tactics. Many clients come to me immediately and say, "I need a Facebook Fan Page" or "I need a blog" or "I want a logo with a bird in it because I like birds!" but they haven't thought through what brand promise they want to make and to whom so they can decide a) if they should even use those tactics and b) what they will communicate through those tactics.

Once you build your base, you can now determine your brand building blocks: a good company or product name, the right visual identity like logos, colors, design and the right key messages and selling points. We're going to explore more about each of these in upcoming modules. If you are already in business, don't worry – you may find your brand strategy validates some of your choices or you can make slight tweaks if you are way off. This is called rebranding and companies do it periodically.

Now that you have brand strategy and you know what you want to say and to whom, you can determine the best tactics to reach those people. And you can mix and match your brand building blocks for each tactic, rather than reinventing the wheel. See how much time and money that saves you?! It's a waste of time and money to start with tactics before you have the map telling you which ones will be most effective.

SLIDE 17: I've boiled down an effective Brand Strategy into ten key questions, which are outlined in my book, ***Branding Basics for Small Business***. We're going to explore most of these questions in our upcoming modules so get ready! Sure, some branding consultancies can spend hundreds of thousands of dollars on research, testing, focus groups, etc. but really, the thinking starts with these ten questions and your own knowledge about your business, market and expertise. The questions can be answered linearly, but you'll often find that you may skip around or go back and adjust as you get further into the process. The questions are:

1. How do you describe your business? What do you actually sell or do, with no marketing speak.
2. What are the package and pricing descriptions?
3. What are your strengths and weaknesses? We'll be building this into the brand so that it is authentic. You usually play up your strengths and downplay or address your weaknesses in a Brand Strategy.
4. What are the feelings and emotions around your "brand?" This is the fun stuff! You'll like this part when we get to it!
5. Who and where is your ideal audience? The single most important question to your brand strategy. I've got a super useful way that we'll cover on how to make these people real.
6. What are the benefits you offer and why do they matter? We'll talk about the differences between benefits and features later on.
7. Who is your competition? How are you different? I'll show you a unique way to consider your competition and also how to do a quick and simple competitive audit.
8. How do you communicate with customers versus prospects? They have different relationships with you and your brand – remember the sales cycle? You want to make sure you're not proposing on the first date!
9. What is your business' Greatest Asset? Everyone's got one and sometimes you can build the whole brand strategy or creative concept around it.
10. How do you measure success? Very important. How will you measure progress towards sales and if your brand is resonating?

SLIDE 18: The basis of your brand strategy all starts with answering this simple question: What. Do. You. Do?

Just like any athlete, you have to break down the extremely complex plays into simple drills first. The first thing Michael Jordan probably did was learn how to dribble a ball, day after day. It's not glamorous, but once you nail the basics you can then graduate on to the complex plays – the fakes, the fancy assists and yes, the gravity defying dunks.

Don't try to pretty things up with marketing speak right now. Deconstruct your message so we can build it back up again. If I had a dollar for every bad elevator pitch I've heard at a networking event, where people don't communicate what they do clearly, or even say their company name! Literally, what do you do or offer? No marketing speak! You must start with defining this well and simply before embarking on Brand Strategy. Are you a product or service? Web-based or brick and mortar? Who do you serve? Try and pretend you're describing what you do to your

grandmother or speaking to someone who knows nothing about your industry, products or services. This description may never see the light of day in its existing form, so just be descriptive.

SLIDE 19: As mentioned, this is your assignment, which I'm dubbing Homeplay rather than HomeWORK as this should be fun! Please download the Exercise packet and you'll find this worksheet right at the start. Please do this before you move on to Module Two, in which we'll be building on this and talking mission, vision and goals. Any questions, please drop on over to the private Facebook group that is part of your course, Red Slice Branding Bootcamp. If you haven't already requested to join the group, please do! Enjoy, good luck and I look forward to seeing you at Module Two!