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# Management Update

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## **Building Brand: A Road Map**

by Kirsten D. Sandberg



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# Building Brand: A Road Map

*Awareness isn't the same thing as an impeccable value proposition.*

by Kirsten D. Sandberg

**I**N OUR short-attention-span culture, the value of brand has eroded. Demanding consumers, surrounded by choices, seem eager to drop an old standby for novelty or lower prices. With multimillion-dollar media campaigns and celebrity endorsements, you can turn a nobody into a national brand identity overnight.

Martha Stewart Living Omnimedia in New York City certainly doesn't lack for a strong brand, thanks to the strong personality behind it—and yet Sharon Patrick, the company's president and chief operating officer, knows that a successful brand requires more. “You can like Martha or not like Martha, be inspired by Martha or annoyed by her,” she says. “But it's no longer just Martha. It's trusted product coming from a trusted brand. That's the distinction between a personality and a brand.”

In a world in which attention spans are short and information runs amok, image and awareness definitely help, but if you want to build a strong brand, then you must start elsewhere. In particular, keep the following principles in mind.

**“At the center, there must be something of impeccable value,”** says Patrick. “Beginning with her first book, *Entertaining*, Martha Stewart centered on homekeeping as an art form and a domestic calling. We've put together a whole business model driven from that principle.” But awareness of that central value is not the sum total of building a brand—in fact, it's only the first step.

**“A brand is a promise fulfilled.”** A brand transcends simple awareness, emphasizes Mary Modahl, vice president of marketing at Forrester Research in Cambridge, Mass., and

author of *Now or Never*. “When you think of the brands that we all know, that mean something to us, it's because they hold a promise. It's through the experience you have of the brand that the brand becomes true and the promise becomes real.”

## Want to read more?

To learn more about the connection between promise and delivery, visit the HMU Web site at

<http://www.hbsp.harvard.edu/hmu/brand>



**“The experience comes before the brand.”** Too many start-ups “think that the brand comes before the experience,” says Regis McKenna, chairman of The McKenna Group, based in Mountain View, Calif. But the successful ones he's helped launch—Intel, AOL, Apple, and Dell—“didn't have a promise. The promise kept changing” based on the user's experience. “Most businesses are that way,” he continues. “It's that interaction, that dynamic [between the company's promise and the customer's experience] that I would really call marketing.” Modahl agrees: “You figure out what your promise is from the experiences that your customers are having. The last thing you want is awareness when you haven't yet figured out what your promise is. So wait on awareness, and work hard on the promise.”

**Employees come before customers.** “Most employees in America today don't believe their organization deserves their loyalty. That makes earning customers' loyalty one heck of an uphill battle,” argues Frederick F. Reichheld, director emeritus and fellow at the global firm Bain & Company, headquartered in Boston. You “can't have customers loyal to something employees don't think is worthy of loyalty.” Marketing, therefore, is “making the experience of doing business with

your company a wonderful life-cycle event—not only for your customers but also for your front-line people.”

**Loyalty counts more and costs less than awareness.** Vanguard Mutual Funds, notes Reichheld, counseled Scott Cook, CEO of Intuit, not to transfer millions of dollars into a Vanguard account because he would have had to realize a “big taxable gain”—and that wouldn't have been in *his* best interest. Vanguard's obsession with building customer loyalty creates its own word-of-mouth advertising. As a result, Reichheld continues, Vanguard has grown faster than its competitors even though it spends only \$10 million each year on advertising—compared to the \$150 million its competition spends annually.

“The ultimate test of a brand is whether it's in the lexicon of the culture,” declares Patrick. “If something is *Martha*-ed, we think that's something made by hand from your heart for somebody you care about, to raise the quality of living in your home.” But you don't achieve such recognition by starting with awareness. Instead, brand awareness represents the endpoint of a lengthy process of earning employee loyalty and embodying the total customer experience. “Marketing is not a function, it's a foundation,” concludes Patrick. “Every aspect and action of what we do really is who and what we are, and that's what we put in front of you.” ♦

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## RESOURCES

***The New Marketing Renaissance: Instilling Persistent Presence in Our Anytime, Anywhere World***

by Regis McKenna  
Forthcoming • Harvard Business School Press

### ***Loyalty Rules!***

by Frederick F. Reichheld  
August 2001 • Harvard Business School Press