



# Book Brand Warfare

## 10 Rules for Building the Killer Brand

David F. D'Alessandro and Michael Owens  
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### Recommendation

Author David F. D'Alessandro, the CEO of John Hancock Financial Services, describes how to build and protect a brand name. With writing assistance from Michele Owens, he draws on stories from John Hancock and other companies to illustrate successful brand building as well as missteps along the way. Based on these stories, D'Alessandro summarizes the principles of brand building, such as being consistent, refreshing the brand to keep up with the times and sponsoring events that are in keeping with the brand's image. His basic principles are familiar: Use your brand as a powerful image that reflects your company and product's core identity. *BooksInShort* likes D'Alessandro's breezy, personal style and conversational approach, which convey these ideas in a fresh way. If you haven't brushed up on your branding lately, this is a useful roundup of information, reminders and cautionary tales.

### Take-Aways

- A brand is whatever consumers think about your company or product when they hear its name.
- Keep your brand image in mind continually, since a brand stays big only as long as consumers continue to like it.
- A good brand name can turn even an ordinary commodity into a premium product.
- Consumers buy brands to help them simplify their lives and organize their experiences.
- Brands are important today because consumers face so many choices.
- Know what your brand message should be.
- If your brand is already established, ask questions to learn where it should go.
- To make your advertising memorable, tell your creatives what your brand stands for and support their freedom to use their creativity to express that message.
- Should a scandal occur, quickly use damage control to protect your brand.
- Choose sponsorships carefully, selecting events consistent with your brand image.

# Summary

## The Power of Brands

Brand image has great selling power. It can turn an ordinary commodity into a valuable product, as Orville Redenbacher did when he turned his popcorn into a premium brand and persuaded consumers to pay more for it. The John Hancock company similarly took a sleepy old brand of insurance and turned it into a more appealing product for consumers - an appeal that carried over to its investment products.

The power of branding is reflected in a company's value. According to Interbrand, which annually ranks the world's most popular brands, 51% of the Coca-Cola Company's value is due to its brand name. The importance of branding goes beyond business. Even movie stars think of their names and images as their brand.

“It is a small step in this world from rich corporation to villain, and any big brand that doesn't keep that constantly in mind is foolish.”

A brand is how consumers think of your company or product when they hear its name. Their perceptions come from many sources, from Internet rumors and TV reports, to their own customer-service interactions. To control these perceptions, do everything you can to support a favorable brand image. Think "brand" whatever you do, including decisions about cutting back on customer service, expanding into new markets or sponsoring a local event. The following 10 rules will help you build your brand more effectively.

### 1. Keep the Brand in Mind (Or, "It's the Brand, Stupid")

“The smart commodities producers are turning their commodities into brands and commanding a premium for them.”

Always keep your eye on your brand image, even in a big company. Many companies become arrogant when they have a big brand name, but a brand only stays big as long as consumers like it. Consumers can lose interest in your brand in a heartbeat. For example, Citibank once suffered a humiliating defeat when it thought that its brand name could sell a computer system to correspondent banks, even though the product wasn't properly developed and the smaller banks resisted.

A few decades ago, if you had a strong brand, it tended to stay strong for a long time. Establishing a new brand was very difficult, so a few big established companies dominated the business environment. However, many companies, such as J.C. Penney and Sears, later declined because they didn't respond to changing times. Today, the winner is not necessarily the biggest guy, but the fastest, smartest guy with the best command of new technologies.

“Because consumers have so many choices today, there is no reason for them to buy anything that doesn't give them enjoyment. Strong brands are simply more enjoyable to buy, so you'd better have one if you hope to compete.”

Today's consumer is more educated and more suspicious of big corporations. Recent developments have created a more dynamic consumer-centric environment. Due to the growth of new technologies and media outlets, creating a new brand is less expensive. You can reach targeted audiences more directly. However, with more choices, consumers have more power, so big companies that mismanage once-strong brands can easily lose ground.

“Brand messages are not infinitely elastic. If you try to stretch them too far, they tend to unravel.”

To compete in today's world of empowered consumers, think of everything you do in light of brand image. Don't compete on price alone, because your competitors can quickly copy you. People are drawn to richer, more enjoyable experiences, the kind that a good brand with many pleasant associations can provide.

### 2. Think Codependency: Why Consumers Need Good Brands

Even when people don't pay attention to brands, they usually do - though they may give their attention to opposition, rebel or cult brands, such as when academics buy Birkenstocks to get a "real sandal," while saying they don't pay attention to brands.

People buy brands because they simplify life by helping to organize experiences. Brands tell you what to pursue and what to reject,

since you don't have the time to assess every buying experience on its merits. Brands are like archetypes and predispositions that give us a starting point for understanding any situation. Brands give consumers more decision-making help today, because buyers face so many more choices. Good brands help consumers by:

- Saving time by providing buyers with a sense of comfort about a particular brand.
- Projecting the right message if the consumer is worried about being judged (i.e. if you want to make sure you are serving good cheesecake, you can always say you bought Sara Lee cheesecake).
- Providing an identity that helps people feel secure because it admits them to a group of other people who also selected that brand. For some brand choices, people become like "brand tribes," such as people who wear Gucci or Prada clothing or buy VW cars.

### 3. Keep Your Message on Target

“By definition, 'brand' is whatever the consumer thinks of when he or she hears your company's name. Thanks to the information revolution, 'whatever' now includes labor practices, quality controls, environmental record, customer service and every rumor that wings its way around the Internet.”

Know what your brand message should be. If your brand is new, determine what its message should convey; if the brand is already established, understand what it is now and where it ought to go.

Don't get caught up in a fascination with your own subtleties, a mistake made by the dot-coms of the late '90s, who spent millions on obscure commercials and left consumers confused about what they actually do. Only established brands can be obscure, because people already know them. That's why Apple could get away with its famous 1984 ad showing a woman throwing a sledgehammer at the screen to announce the introduction of the new Macintosh computer. When you launch a new brand, clearly convey what you are offering and why consumers should care. Use a message consumers will understand and appreciate.

“Since everything a corporation does reflects on the brand, for better or worse, every decision a corporation makes ought to be filtered through the prism of the brand.”

To learn where your brand is now, ask what your brand means to consumers. For instance, who are the people who care about your brand? What do they know your brand for? What do they like and dislike about your brand or industry? Besides self-knowledge and self-awareness, you also need discipline to convey the message you have decided is right for you. For example, the John Hancock company did this by emphasizing the theme of empathy to show its understanding of its customers' fears and hopes.

Another key is keeping your message relevant and consistent. Levi-Strauss lost more than half its share of the American blue jeans market during the 1990s when it forgot that kids don't want to wear what their parents wore. Levis became irrelevant. Listen to consumers and adapt your brand accordingly. For example, Wolverine discovered that people wanted Hush Puppies to have a "retro-cool" look. Your message must be consistent, even as you adapt it to fit the times. Don't try to extend your brand to new products or businesses that don't fit its brand image. For example, Sears got into trouble when it tried to add financial services to its company that was known for basic home repair products.

### 4. Make Your Advertising Distinctive - and Fight to Make It Good

“There's a tremendous arrogance that comes from having a big brand, and that arrogance makes it easy to forget that even the biggest brand only stays big at the pleasure of the consumer.”

Advertise distinctively. Avoid personality-free clichés, like an auto commercial with the car speeding down a mountain road. Look for a style that stands out, which John Hancock accomplished with its "Real People, Real Answers" campaign, featuring everyday people talking about their problems, hopes and dreams.

“For every new startup that succeeds, a hundred will fail because they cannot launch their brands. And the winners will not be the best marketers.”

Support the creative people behind your advertising. Typically, the "creatives" who write and design ads offer their best work when they first design an ad campaign, but then, non-creatives, including marketing people and clients, start suggesting changes. Often the

result is poor, non-distinctive advertising, which demoralizes creatives who then produce ads of lesser quality. Protect your creatives, as long as they stay true to the brand. Give them the freedom to express this brand image. If more than three people in your company participate in "improving" a commercial, it probably isn't improved, and you shouldn't use it.

## 5. Select Sponsorships Carefully

When you sponsor an event or choose a spokesperson to represent your brand, the association can contribute to brand building due to the consumer's transfer of emotions from that event or person, which is often called a "halo effect." This reaction helped build Nike in light of its association with athletes such as Tiger Woods and Michael Jordan. A sponsorship can be a very powerful way to boost your brand, if you chose well and manage the sponsorship effectively. Sponsorships are often more cost-efficient than buying advertising time or space, since they can trigger lots of publicity for little money. However, sponsorships can be risky, since there is a potential "horn" or damage effect, if the event or person associated with your brand gets into trouble (think of Hertz when spokesman O.J. Simpson was tried for murder). Choose your associations carefully and be especially cautious about athletes. Apart from any personal difficulties they may have, their agents and lawyers can create problems for you.

## 6. Get good value for your sponsorships

"Survival in the advertising game demands that the agencies learn how to flatter and milk their clients."

Determine in advance how your sponsorship will be promoted. Place yourself near TV cameras. Select sponsorship properties that add positive associations to your brand. Negotiate to get good value.

## 7. Quickly Use Damage Control to Overcome Scandal

If your company encounters a big problem, act quickly to contain it, so it doesn't damage your brand's reputation. While creating a good brand can take a long time and lots of skill, it can be destroyed rapidly if you are clumsy. Thus, you have to handle scandal and trouble effectively. The first rule is to protect your company in advance against scandal, not after bad publicity hits. Proactively build up an insulation of good will in the good times. For example, emphasize your product's quality or its association with good causes. If false accusations arise, respond quickly to overcome them, so rumors don't spread. If you make a mistake, admit it quickly, because it's worse to withhold or cover up information. When product tampering caused seven deaths, Tylenol responded quickly by calling for a national recall. It returned to the market only when it had adopted tamperproof packaging.

## 8. Diversify Your Distribution

"Want to make memorable advertising? Protect the creatives, and you'll soon have the best copywriters and art directors in the world clamoring to work for you, and great work will follow of its own accord."

Given the growing power of consumers, find ways to diversify your distribution, so consumers can easily and conveniently buy your brand. Once distributors claimed a lot of power by how they distributed and displayed your brand. Their commissioned salespeople played a big role in distribution. Now, consumers like to buy direct and can find many distributors with Internet search engines. Let your consumers decide where they prefer to buy your product and diversify your distribution accordingly.

## 9. Inspire People

Take advantage of a strong brand image to get the best people to work for you and motivate your employees to do even better work. Having a strong brand helps, because the brand not only influences your external audience of consumers, but your internal audience of employees, vendors and distributors. A good brand has this power because people want to work with good companies; they like being part of a company that is a market leader.

## 10. Make the Brand Everyone's Responsibility

Make the brand everyone's first priority. Go beyond short-term financial considerations, since all financial measures are affected by the health of the brand. Convince your employees to be brand conscious, so they will report any problems that might damage the brand down the road.

# About the Authors

**David F. D'Alessandro** is CEO of John Hancock Financial Services, a Fortune 500 company. As the company's youngest CEO, he spearheaded its dramatic reinvention, which led the *New York Times* to list John Hancock as one of the top 100 brands of the 20th century. He is considered an expert on sports marketing, and is a frequent keynote speaker at events around the world, as well as a guest on TV programs, such as *The Today Show* and *CNN News*. **Michele Owens** is a former speechwriter for Governor Mario Cuomo of New York and Governor William Weld of Massachusetts.

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