



The Raphael Report

**Observations on marketing,
advertising, sales and
promotions
by Murray Raphael,
Chairman, Raphael Marketing**

April 2003

Number 47

Brand-Aid

"Branding is more – not less – important than ever if you want to stand out in the crowded marketplace." – Tom Peters

From 1779 to 1783, the Spanish tried to capture the Rock of Gibraltar from the British. They failed.

This strength, this invincibility, this unconquerable identification caused the Prudential Insurance Company in 1896 to use this symbol as their brand – symbolic of a defense from all obstacles.

What's your store's "brand" –and why should you have one?

Here's why:

Branding separates you from the competition.

Branding creates trust, simplifies choice and saves time and effort.

Branding builds a bond between the product and the consumer.

Branding is a unique business identity including (but not limited to) personality, quality, and likeability.

But often a company's brand does just the opposite: It doesn't say who-they-are or what-they-do.

Consider some recent brands from large companies.

When Anderson Consulting broke off from its parent accounting firm it spent more than \$175 million for a new brand name. Their choice: Accenture. (Which I guess is a take-off of Johnny Mercer's "You Have to Accenturate the Positive...")

When MacTemps changed its brand name from one that made sense – temporary help for Apple's Mac systems, it switched to a new brand name: Aquent. The company explained this was a combination of Latin and Greek words. Since the average person is fluent in both Latin and Greek, I guess this made sense but the average person probably thought it was a new bottled water brand.

When the F.I.Group - dealing with information technology services - changed its name to Xansa, the explanation was the new brand was inspired by the Sanskrit word "sanskar, which has many meanings." Well, all us Sanskrit -speaking folks knew THAT!

And then there's Philip Morris changing its corporate name to Altria.

What?

What's amazing about these brand names is not so much the amount these companies spend on these brand names (\$100,000 is not unusual), but how bad the final results can often turn out. On the other hand...Sara Lee bought several companies with no relationship to baked goods. They kept the corporate Sara Lee name because it is associated with wholesomeness, goodness and

makes you smile.

However, you don't have to be a major corporation to develop a brand. In fact your store's "brand" will often be more explicit and easily define who you are and what you do.

Buy an Irish sweater hand made in the Aran Islands and you'll see a little note attached to the sleeve from the knitter hoping you'll enjoy what she made for you. THAT'S branding!

Are there rules, directions, ideas for you to use when branding your store?

Sure. Here are a few to consider:

1. Branding says who you are and what you do.

Your store's brand should say what business you're in, what benefits it provides and why you're better than the competition. When someone moves into your community and asks her neighbor, "Where's a store I can shop for _____ (your products) for my new home?" your store's name should be the brand that immediately comes to mind.

And yet...few stores consciously create their brand identity.

Your brand name should create a distinctive perception in the customer's mind.

A store called "The Little Shop on the Corner" must hope they (1) never get bigger and/or (2) never move.

Stan Demski's name for his gallery in Collingswood, New Jersey says it all. His brand: "The Traveling Frammer." That's who-he-is and what-he-does. He has a complete framing workshop in his van and travels to individual and company premises to do their framing on site. He is what he says he is: a traveling framer.

I'm always amazed when I suggest to new business owners they use their own name as their store's brand.

"Oh no, can't do that..." is a typical answer.

Why not?

"Well, I'd be uncomfortable..."

Really? That feeling never occurred to folks like Saks Fifth Avenue, Macy's, L.L. Bean...the list is almost endless. Harry & David, the Fruit of the Month folks, introduced their web site saying, "Our web site is an extension of our brand." Is this important? Answer: Yes. Consider this fact: More than 77 million US adults bought products on line last year with projected spending this year of more than \$50 billion according to Jupiter Research.

2. Branding Builds Loyalty.

A survey from Ernst and Young said most businesses felt the personal relationship with the customer was only 10 percent of the buying decision. When the customer was asked, they said it was 70 percent!

When someone has a positive experience with your brand they are more likely to buy that product or service again rather than a competing brand.

Dr. Carl Steidtman, director and chief economist of Pricewaterhouse Coopers says, "Retailers must be customer-focused, not product-focused. Your customers are not anyone. They are someone. Capturing their name, what they buy, when they buy and how much they spend is vital to insuring their future loyalty." One effective way to accomplish this goal: Branding.

Carl Sewell, the world's largest selling Cadillac dealer and author of "Customers for Life" says, "We're trying to provide a warm enjoyable experience, like going to a fine hotel. You're willing to pay a little more because they treat you so nice and there's that piece of chocolate on the pillow and the shower is not two drops a minute but comes out full force when you turn it on and the towels are big and fluffy. Take care of your customers and they'll come back and bring their friends."

Stanley Marcus of the famous Neiman-Marcus specialty store agreed. He wrote, "Once you

establish excellent service, you provide a safe harbor to which customers can always return."

Your store's brand becomes a reminder to the customer of your reputation - how you were handled the last time you visited - and becomes a subconscious reason to recommend you to others.

They know it's you. Because your business is your brand!

3. Branding relates to your total marketing package.

This means the colors you use in your logo, your bags, your slogan, your special "look" of your advertising, marketing and promotion.

STORY: We ran a small ad in our local paper in the same location every day. It had a very distinctive typeface with merchandise shown in a unique style created by a local artist. One day we ran a sale on men's lightweight jackets. Same location in the paper, same artist, same unique type faces. Good ad.

But they left off our store's name and address!

I called the paper complaining. They apologized and said they would run the ad - this time with our name and address - in their next issue at no charge.

Around noon that day, the manager of the store came to me and said, "Twelve!" I asked him what that meant. He said, "We've sold twelve of the sale jackets so far."

How could that be? The ad didn't have our name. How could a customer know where the jackets were on sale?

At the end of the day we sold 35 jackets. I took care of the last customer from a woman who wanted to buy one of our sale jackets for her grandson.

I brought her the jacket, wrote up the sales slip, rang up the sale, placed it in our store's bag, gave it to her and asked, "How did you know it was our store that had these jackets?"

"Why," she replied, "I saw your ad in the paper."

I quickly brought out that day's newspaper from behind my desk, showed her the ad and said, "Look -here's the ad. And it doesn't have our name or address."

She studied it carefully and then said to me, "In my paper at home...it has your name."

Branded!