Special Report

Be a Brand Monogamist

by Jon Ward & James Burgin

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A Trump University Special Report

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Brand Monogamy…

Most probably you don't just have one product or service, you have several - if not now, then in your plans for the future. And you don't only have products, you have a company. Suddenly, the branding business gets complicated. Should each product be its own brand? Should they be grouped? Do you create a different company name for each product group? Should the company name be the same as the primary product, or should it be more of an umbrella?

In our consulting practices, we've seen these questions show up time and again. We've also seen numerous companies repeat similar mistakes, and badly damage their brands in the process.

Curiously, the task of thinking through the brand structure is relatively simple. What is most often missing on the part of the brand owners is strength of character. Successful branding requires guts as well as brains. Why? Because the essence of branding is singularity - the power of the one-point focus. And singularity demands sacrifice.

So let's establish the principles first, and then explore the detailed applications.

The Law of Consumer Arithmetic

Here is the universal law of consumer arithmetic. When it comes to branding, this law applies to "consumers" of all kinds, from beer drinkers to diamond collectors.

> ***Consumers can only count to one.***

This has nothing to do with how smart or dumb people are. By and large, our customers are always smarter than we assume. The Law of Consumer Arithmetic is based on how the brain works, which goes back to the fundamentals of positioning and the vital role of the Singular Idea. In a world of information overload, the mind must simplify the mass of input - it must group multiple objects and experiences under single headings. This means your customer can only deal with one brand at a time.

That's the general principle, but it doesn't solve the problem of multiple products, or the relation of the company to the product. How do we settle this? By looking more closely at the only moment that matters: the moment of buying.

This is when the brand succeeds or fails. You can create a fabulous “corporate identity” and a highly organized communications strategy. At a certain point, however, the customer either does or does not pull out a credit card. As this is the moment that counts, this is where the brand needs to be singular: “I'm buying a …….” Fill in the blank with one brand, and one brand only.

Let's go shopping for an American muscle car, and give ourselves $50,000 to play with. Are we getting a Corvette, a Chevrolet or a General Motors? The Corvette sits under all three brands. What happens, of course, is that the proud Corvette owner tries to forget that he or she is actually driving a Chevy, or worse still, something from the utterly generic and meaningless “General Motors” mark. In this case, the consumer's single-mindedness has to overcome the folly of a muddled brand. Contrast that with Porsche. Have you ever heard a Porsche owner say, “I drive a Boxter”? - Possibly, but only when the conversation has already established the name “Porsche.” Fact is, despite a feeble effort by the company to dilute its own brand, a Porsche is a Porsche. Mercedes, of course, has this one nailed. By naming its models with numbers, it inhibits them from getting brand ideas above their station (excepting the bizarre Kompressor).

What can these mega-brand examples teach the small-budget business? Simply this: Imagine your customer is interrupted by a phone call in the middle of buying your product or service. The customer is irritated and wants to get back to completing the purchase. The caller asks, “What are you getting?” Your customer briefly describes the product. The caller persists: “Oh, I see. Whose are you buying?” The customer has the time and patience to give one answer and one answer only. What is the answer? That's your brand. In other words, when it comes to branding, the moment of buying is the defining moment.

Now the task is to work back from this all-important moment to the other questions of multiple products and the company name.

The brand is the product, not the company

If the moment of purchase is what matters, then clearly the brand is first and foremost invested in the product, not its maker. This means the brand should be developed with an unrelenting focus on the product and what it means to the consumer. A good rule of thumb is: when you're creating your brand, forget about your company. Work backwards from the customer to the product, not forwards from the manufacturer to the product. Explore the mental space where the customer makes his or her buying decision: that's where your brand will be installed, and where it must thrive for the long term. Know everything you can know about what your typical customer loves and hates in relation to this particular field of choices. Establish your one "Singular Idea" and develop your invisible brand qualities - emotions, personality, values and archetypes. Create the name you can best imprint with these qualities and give it optimum visibility.

What about your company name? That's where you need mental toughness, because you've probably invested as much sweat and anxiety building your company as you have your product. If the company name is different from the brand name, forget about it. Keep it out of the way of the brand. When the lawyers insist, write the company name in the smallest, dullest typeface you can get away with somewhere on the back of the label where no one will look.

Why do we hide the company name like this? Because if you visibly add your company name to the brand name you will dilute the brand. Period. Worse, if you give your company a logo and stick it next to your brand logo, you might as well pile your branding dollars on a table and set light to them. Consumers can only count to one. They will look at this muddle of brands and withdraw, because there's another law at work here. As any successful salesman will tell you:

The confused mind always says no.

Mixing brands creates confusion, and confusion kills sales.

Despite this commonly known rule, probably the most common error we see our clients making is an effort to dilute their product brand with a company brand. First, they develop a fabulous product brand, with all the emotional qualities it needs to lodge firmly and positively in the consumer's mind. The name works, the logo makes the name unforgettable and the positioning idea hits all the right buttons. Then, when everything is in place, our client decides to put the company logo all over everything. Why does this disaster keep happening?

Objection, your Honor

"But I want people to know about my company, so that if we do something else we'll get the benefit of their brand loyalty." This is the case we most often hear for mixing the brands. It won't wash. Let's imagine Porsche decided to launch a line of home-delivered sushi. If you're like most people, you probably admire the Porsche brand as well as any on the market. But would you eat that sushi? "Hey - just gotta try that Porsche tempura shrimp roll…" We doubt it. It doesn't matter how powerful your brand becomes, it will never extend beyond the immediate field of the product to which it is linked. If you plan to stay inside the product circle that your brand owns, just build that single brand. If you plan to leave the circle, start a new brand.

The other objection is a bit more sophisticated: "We plan to sell our company in five years' time. If the company name isn't out there, the IPO will flop." It sounds convincing, but let's play merchant banker for a moment. Someone walks into our office and says, "We're the Hubert Harris Holding Company. We built the Gas-by-Gus brand, with 20,000 gas stations and 100 million customers. Gas-by-Gus has the best name recognition in the industry." What are we going to say? "Sorry, no can do. We always stop at Gus ourselves, but we've never seen Hubert Harris Holding Company on your pumps…"? That's ridiculous. There's no more need for the company name on the brand than for a jeweler's signature scratched on a diamond. If you build a great brand, investors will fall over each other to own the company that owns the brand.

A subtle twist: the brand is a fictional company

Here's the real reason why you should never add a separate company name to a brand name. To the consumer, the brand is the company. Emotionally speaking, the brand isn't just what the product is. It's where the product is from. Our muscle-car buyer doesn't just want to own an object called a Corvette. He or she wants to believe that this precious vehicle was lovingly crafted by "Corvette people." That's what gives the brand the power of a promise: "Those Corvette guys are good - I can trust what I get from them."

If you simultaneously promote the brand name and a different company name behind it, you're blowing the fiction that your brand is the source of the product. Here's a mega-brand example. You may or may not know that Pizza Hut is owned by the Pepsi Cola Bottling Company. To be sure, the average consumer is unaware of the link, because Pepsi wisely does nothing to advertise it. Most customers assume that the pizzas they get from Pizza Hut are "made" by a company exclusively and passionately devoted to dough, cheese and tomato sauce.

When the company is the product

Let's return for a moment to Gas-by-Gus. Our merchant banker is rightfully juiced about the deal, and the daunting process of an IPO begins. We know that at some point the company owners will have to do a dog-and-pony show and labor to get potential investors excited about the deal. In this situation, the product on sale is not Gas-by-Gus - it is the Hubert Harris Holding Company. The company is the product, so now the company's name is the brand. As products go, there's a world of difference between a company and a tank of gas. Car drivers seek a dependable commodity for the lowest price. What investors are buying is a mixture of management, financial intelligence, marketing savvy, distribution networks, vendor relationships and other tangible and intangible assets. "Gus-by-Gas" is just one of those goodies, and in selling the company to investors, it will be subordinated to the glorious name of Hubert Harris.

In other words, once you start the game of selling or floating your company, you must initiate a completely separate marketing operation, defined by a new product, a new audience, new competitors and a new brand.

Line Extensions and How to Make Them Work

We still have the challenge of several related products. Let's say we launched a line of ski clothes. Our customers love us, so now we want to sell them skis - and as we have the manufacturing, how about a new line of baseball uniforms? In fact, we know so much about all this stuff, we could start a sports publishing company. So what's the brand?

Let's set aside the wisdom of going in all directions like this. It may seem foolhardy, but there are companies that get into far more fragmentation and some are very successful. Our question is strictly about the brand.

Most foolishness seen in this area can be pinned on one dangerously misunderstood phrase: "Brand equity." Our ski clothes gave us "brand equity" and now we're going to spend that equity wherever we like. But brand equity isn't cash. It's not a neutral currency that's accepted in every market. The "equity" we own is completely specific to the product zone where the brand was built. Outside that terrain it's as worthless as a 100-rubel bill in an Oklahoma pool hall. The challenge is to know where the boundaries are to the brand's terrain. On the one hand, it seems natural to stretch our ski clothes brand to skis - same activity, same buyer, even the same retail location. On the other hand, we've proved ourselves to be great clothing manufacturers, so why not a line of clothes for a different sport under the same label?

There's no absolute answer to these questions, but in reality both extensions are probably over the boundary. Here's why. We go back to the true home of the brand, which is not the product, or the market or the retail space - it's the mind of the consumer. The question to ask is this: Are the emotional and mental forces that drive the decision to buy ski clothes truly the same as those that drive the decision to buy skis? There may be overlaps, but if we look closely we'll see some completely different criteria cropping up. The clothes buyer is looking for comfort, durability and a cool look. The ski buyer wants those factors too, but much more important are issues of performance and safety. In other words, although they are the same person, from the branding perspective these are two different customers. Similarly, merchant bankers may drive cars, but the customer for the Hubert Harris Holding Company is different from the customer for gas.

Another way to see this is to remember that the brand is a fictional manufacturer. Does anyone really believe you can be equally good at making skis and clothes? In reality, of course, your company will outsource manufacture to different experts in each field. The way you see your strength is in how well you select and manage these different resources. That's too abstract for the consumer. On an unconscious level, the brand says, "We made this ourselves." That's why Pepsi doesn't proclaim ownership of Pizza Hut. No one wants a pizza cooked by the soda fountain guy.

As for transporting the brand to a completely different population of buyers (in our example the baseball market) - that makes even less sense. Baseball people are baseball crazy. They don't care what you've done for folks who like to slide down hills with their feet tied to a couple of planks. A successful baseball clothing line will be rooted in the emotional world of the baseball buyer, and nowhere else. Probably the only safe extension of your ski clothing brand will be to a few accessories like hats, gloves, bags and just possibly shoes.

The good news is this. The discipline and know-how it takes to create a singular, focused brand is real equity - and it's completely transportable. If you can build one brand, you can build another. When your business starts giving you island fever, that's usually the best thing to do.

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