# Max Brand Equity

Branding is not just about a "Brand," but a Business function!

While most people think if a Brand as a name, a logo, and perhaps a slogan, to be effective, it has to be much, much more.

Max Brand Equity is one of the leading Business Consulting firms. It looks back on a distinguished history of driving the state of Business thought. One of the key areas in which it has made major contributions is branding. Branding is not just a marketing issue, but it goes far beyond a mere logo. Whether the brand is Crest toothpaste, Citibank, Samsung, Kraft, or Coca-Cola, all brands on which we have worked, we view the brand as a key business driver which is shaped by such wider elements as price, distribution channels and product at least as much as by positioning and graphics. A brand is much more than the sum of its parts.

For many years the firm and its Partners, all of whom have been C-level, General Management executives within the past five years in Fortune 500 companies, have contributed to the state of knowledge on Branding. Recognition of its importance has grown and spread beyond the leading CPG companies, such as Procter & Gamble, where it started, and where some of us gained our first experiences. When Richard Guha, founder of the firm, wrote "Managing Brands and Their role in the Marketplace," in the 1993 book, *New Horizons in Marketing*, there were no such thing as "Branding consultants," and only one recently published book on Branding existed. Since then, Branding has come a long way. But has it? We believe not.
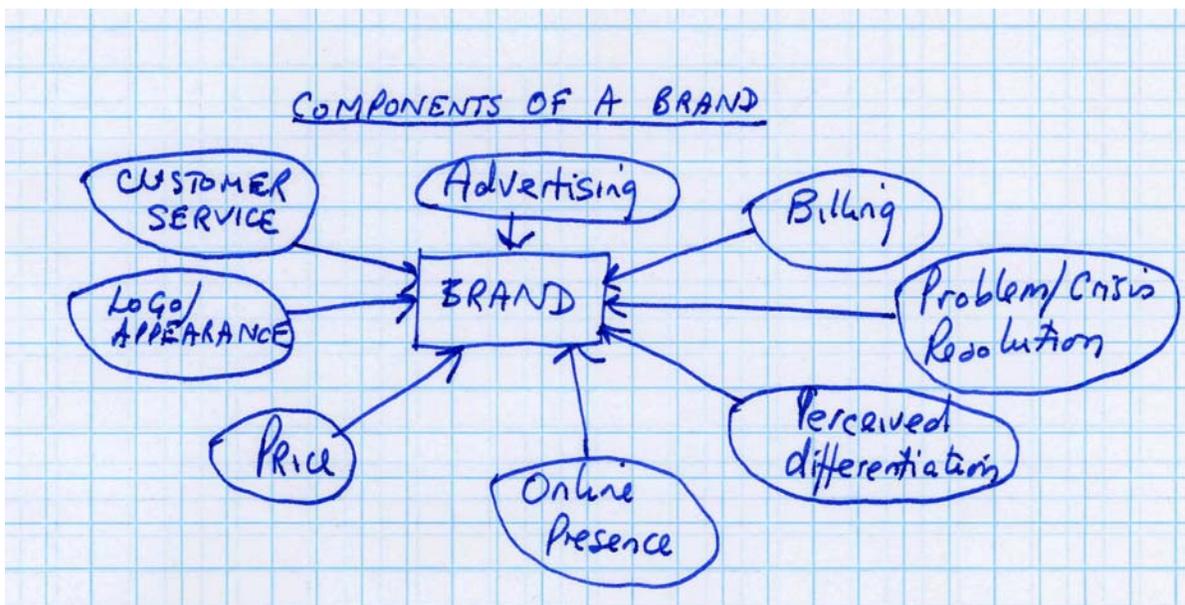
Evidence suggests that as Branding has become democratized, it may have been "dumbed down." While few may have been experts on brands 15-20 years ago, they saw it as complex and subtle. As business has recognized it more widely, many have simplified it so much that efforts become unproductive or even dangerous. We see design firms and advertising agencies calling themselves brand experts – and some even hire them. We find ourselves picking up the pieces often.

Many successful brands in the past 100 years evolved via serendipity. Brands such as *Ivory* or *Harley-Davidson,* or even *IBM* were not created and consciously managed from their inception. They developed incrementally. Today, we introduce and manage brands very deliberately, whether *Swiffer* or *iPod*. Sadly, a brand is not defined solely by a logo, or even an advertising campaign. Instead, a brand is defined at every point of touch with its buyer/end-user.

We surveyed one hundred senior marketers across the US to find out what they thought of the importance of branding and their opinion on a number of key issues. Overall, while more respondents (59%) felt that Market Segmentation was the most important issue, the second most (52%) was Branding. Most seemed to feel that Branding is not an issue with which they can deal by themselves, so they sought help. 69% hired a Marketing Strategy consulting firm. International executives were more likely to rely on an advertising agency or design firm.

What is a brand? It is much more than a trademark, a name, a logo, or even an advertising positioning. A brand is much like a person. People know of it to a varying extent. It has a reputation, and some level of credibility. Simply making it look pretty or having a slogan which appeals may do more harm than good. If the logo and statements are designed to maximize the consumer appeal, but the other elements have not been designed in exactly the same way, the mix jars on the consumer or end-user. Like a car running on four out of balance tires, the ride is not merely rough, but can be dangerous.

So a business is very dependent on the reputation it has, and that is encapsulated in the brand or brands it owns. As *Southwestern Bell*, following the acquisition of *AT&T* has changed its name to that, and is going to change the *Cingular* name to *AT&T*, it is highly unlikely that they have thought through the complete implications of each move. *SWB* may be limiting, but *Cingular* says innovation and technology in a way which *AT&T* never can now. When we talk about brand optimization, we mean growing the kind of reputation, or as it is sometimes called, "brand essence", and managing it in the direction we wish it to move. In order to do this, we have to identify the elements which drive the brand and then manage each of them. These will vary by business, but in general, a brand is established at each "point of touch." These may be physical touchpoints, or they may be virtual ones. So an in-store experience is one kind of touchpoint, but so is exposure to an advertisement. We can illustrate this with the following:
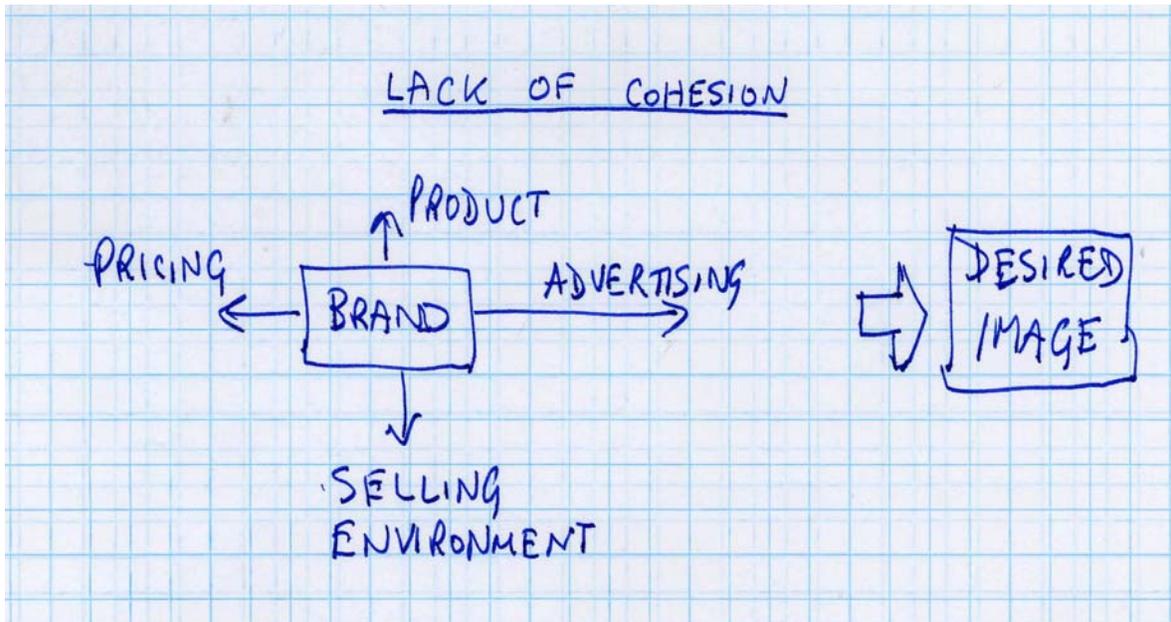
Unless each of these elements is working together, the brand will not reach its planned destination. Typically, a Marketing Department, or even a CEO tries to establish a brand or reposition an existing one. Then someone in the organization, who has not been "sold" on the idea, will tell a customer, "Oh, it's just some marketing gimmick." Perhaps, instead, the brand is intended to be upscale, but is sold in discount stores.

So the brand ends up with a diffuse, unclear identity, however wonderful the graphics and appearance. All too often, companies spend a lot of time deciding what they want a brand to stand for. They then work hard to build a "look and feel." However, then most do not spend the appropriate amount of effort on the execution. This is usually more time-consuming and expensive than the first stages, but it not done well, can result in the entire effort being wasted.

For this reason, our approach is more productive than starting with a name, logo and positioning. We have carried out many assignments where we start by mapping out the space for the client, and then constructing the business dynamics based on this. It results in a far clearer, more effective brand, and much better market performance.

Max Brand Equity works with corporations, turnaround managers, and private equity firms to understand and maximize the value of their brands – often the most valuable part of a business.