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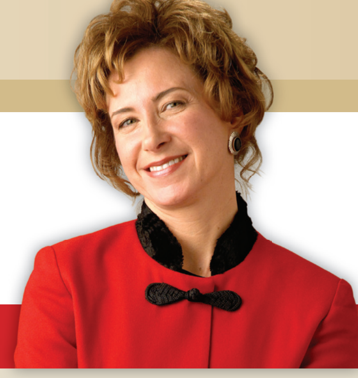

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MARKETING

Build brand loyalty

Consumers are more skeptical

Do you have a favorite brand? Would you consider yourself loyal to that brand? What about that brand engenders your loyalty?

Not too long ago, brand managers gained loyalty by offering unique packaging, big-bang marketing promises and catchy jingles that were irresistibly fun and easily repeatable (Just do it!, Where's the beef?). Consumers today are better educated about the companies that produce these products and are more skeptical about marketing promises.

Research data shows that the amount of trust consumers place in a brand today is a shadow of what it was 10 years ago. According to Young and Rubicam's BrandAsset Valuator, the percent of trustworthy brands in 1997 was 52 percent compared to 22 percent in 2008. As widespread scandals involving leadership corruption and misconduct punctuated the nightly news, corporate credibility was rocked and along with it, brand loyalty. Add to that marquee promises with less-than-star-studded delivery and a more cynical, wary consumer emerged.

A new challenge confronts brand managers. Strategies once used to build multi-million dollar brands are now obsolete. Consumers will no longer tolerate being controlled by marketing's over-reaching hollow promises. Instead, they demand transparency and fact-based information. Young and Rubicam's Valuator indicates that 71 percent of Americans want to do business with socially responsible people and companies. And the top five values important to Americans? Kindness, empathy, self-sustainability, self-reliance and craftsmanship, in priority order.

Innovative companies have recognized the need for more openness and are adapting their brand strategies accordingly – in some cases, that means reinventing them entirely – shifting from traditional advertising to direct consumer communications. Marketing is no longer one person's or department's job. Rather, marketing is now everyone's responsibility as a corporate strategy that must be embraced and owned by every executive and employee.

> "Consumers will no longer tolerate being controlled by marketing's over-reaching hollow promises."

"The Brand Bubble: The Looming Crisis In Brand Value And How To Avoid It," authors John Gerzema and Ed Lebar state, "… conventional marketing continues to operate in a time warp. Most marketers keep striving to build consumer perceptions that drive current sales only for today. They skip along happily, stressing reason over emotion and persuasion over inspiration, still believing that customers can be programmed to form lifelong relationships, and that brands can forever maintain their intangible elixir of attraction and cachet. This manner of marketing pays too much deference to the brand's existing equities, a reflection of past accomplishments. A reliance on brand equity can create a false sense of security, as though past recognition can generate an endless stream of future profits. Using only historic brand data to plot a course in today's dynamic market is like driving 90 miles an hour looking out the back window."

One of the factors that influences consumer preference is what Gerzema and Lebar term "energy" – brands that offer more exciting, dynamic and creative experiences. Their research shows that brand energy is what keeps brands constantly moving and is critical to maintaining ongoing consumer appeal, loyalty and success. Brands that ranked high on their energy metric include Adidas, iPhone, Nike and Microsoft.

The three main factors that influence energy include:

1. **Vision** presented to the consumer by way of corporate leadership, convictions and reputation of the company. Brands with vision have a clear direction and point of view on the world. "Vision-driven brands see farther. They galvanize and inspire consumers to join in, allowing the brand to travel into new categories and create new meaning."
2. **Invention** changes how people feel and the way they behave through product or service innovation via

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content or design. It can be created through innovation, packaging design, applied technology, retail environments, and customer service.

3. **Dynamism** is the most emotional and reflects the brand's ability to inspire consumer affinity. It gives consumers something to talk about, facilitating enthusiastic word-of-mouth discussion across consumer social networks and brand ecosystems.

Energized brands like iPod, Google, Subway, Target, W Hotels and Whole Foods don't aim for mere awareness. They strive to be THE market leaders within their respective industries. They challenge conventional thinking and market their brand to consumers' value systems. In other words, they make it personal. They understand that when you capture positive mindshare, you also capture walletshare. Higher margin power and future value creation are the by-products of their energized brand strategies.

To build your brand energy, consider the following steps:

1. Brand goals become part of the corporate goals. Brands goals become real and actionable for each employee at each level across the organization. Every aspect of the customer experience, internal and external communications, and how people engage with one another are measured and part of the unified brand experience.
2. Brands become part of the corporate culture. Every employee needs to understand how they own the brand promise. What role do they play in supporting that brand experience in their day-to-day responsibilities? How will they be measured?
3. Brands and culture embrace ongoing renewal. Brands are in a state of permanent change, triggered by consumers changing preferences. Sometimes minor, occasionally major, change is required to leverage market growth potential. Brand managers must be ready and adapt quickly. Organizations able to change quickly will gain strategic advantage.

Consumers not only vote with their feet but thanks to social media, have multiple channels to voice their opinions. They see beyond the marketing façade and question what they are told. Trust is earned not inherited.

Executives are expected to demonstrate their corporate values and will be called out when they are disingenuous. Branding has become a collaborative process between the consumer, leadership, team members and key stakeholders. In an environment where transparency is expected, the alignment of corporate and branding goals will be tested. Those who pass will be richly rewarded. Those who fail will be avoided. ■

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