



How to Reinvent Yourself for Branding Leadership



Imagine for a moment that you're the marketing director of a company that makes sledgehammers. Only one other competitor makes sledgehammers. What would your marketing strategy be?

It's hard for any of us to imagine a time like that – but marketing in a world where there weren't more than a couple of choices for any product or service *did* exist.

It was in this era of *scarcity* that the marketing leadership model so many of us have been taught was created: It said that one had to

track sales, profits and share of voice. But to *lead* – the model prescribed out-producing, out-advertising and out-promoting the competition.

This model for leadership in a world of scarcity required bigger budgets than the competition.

This model worked then and gave useful guidance to the rather new profession of marketing.

But you and I know that by the '70s and '80s, scarcity ended. These last few decades have been marked not by scarcity, but by *record* abundance. Too much stuff in our homes, too many places to buy it.

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There can be up to 40,000 products to choose from in a single supermarket – 52 versions of Crest Toothpaste alone. It is estimated that some 25,000 new products are introduced each year.

“Too much choice” is not limited to packaged goods, either. There are hundreds of long distance and cellular calling plans. 37 available configurations of a Dodge Caravan. 200 brands of conference room chairs. 225 models of mobile phone handsets. A myriad of health insurers, clinics, builders, window brands, faucets, restaurants, boots and banks. 350 million Web sites at last count.

We’re in an age of “too much choice” per capita.

It’s no wonder our brains short circuit. The human capacity for choice is not infinitely expandable.

As a result, we’re in an age when marketing leadership is more difficult than ever to practice.



What are some marketers doing to try to lead in this world of abundant choice?

< Like so many companies, Taco Bell is trying to improve their lot by copying their competition.

By definition, copying one’s competition is not a model for marketing leadership.

Yet there is a lot of it going around. So much so that even if the average customer COULD sort through all the choices available, he or she would be disappointed that there aren’t really a lot of differences between them.

With so much “me too,” it’s no wonder that so many marketers are having to fall back on low prices as their sole competitive advantage.

Is this one of the reasons our economy is faltering?

Rance Crain, Editor-in-Chief of *Ad Age*, thinks so. He says, “What it boils down to is that our producers aren’t making enough new and exciting products and services that people feel compelled to buy.”

“Consumers and businesses have all they think they need. And there aren’t any breakthrough *new* offerings out there to make customers want to upgrade what they already have.”

> > > 2 Crain concludes that, “Economic downturns like ours aren’t caused by high interest rates. They’re caused by the lack of differentiation and truly superior choice.”

It’s a bit ironic isn’t it, that in a world of *superior abundance*, the scarcity we now face is the scarcity of *superior choice*.

The inability of many marketers to provide superior choice must be because the road to marketing leadership today has become a bit confusing.

Many are trying to follow the old leadership model based on financial firepower, even though the world has changed dramatically since it was first invented.

Gone are the days when a sledgehammer manufacturer could use his money to simply “pull” the customer to him!

Today we must “coax” our products and services through the sales force, through the distributor or wholesaler, through the local offices or local retailer, to the end customer.

Sure this can take a lot of money. But the largest of budgets doesn’t guarantee success. As a result – we’ve entered a new age...

An age where marketing leadership isn’t guaranteed by being the biggest spender in your category, but by being the biggest thinker in your category.

A new age where the capital with the most value is intellectual capital – superior ideas.

We’re in an age where what we should fear is not financial risk, but the risk of not thinking big enough to capture the minds and hearts of customers.



Why, today, a big enough idea can even beat out a big company with deep pockets.

Today, money will even migrate to an idea that is really really really big.

So in this age of super abundance, it’s time to develop a marketing leadership model based on thought leadership, not deep pockets.

In an age that is hungry for intellectual capital, it’s time to smash the old financial capital model once and for all.

< **It’s time to *smash* the old model.**

Now... that it’s *time* to smash the old marketing leadership model is not a revelation to you. That we are in an age requiring big thoughts is also not going to be much of a surprise.

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HOW we *lead* with big thoughts may be of concern, though, because big thoughts by their nature can make your boss and troops nervous.

And WHAT to think big thoughts *about* may also be up for debate. Because heaven knows there are a lot of opinions of what are the secrets to higher margins, profit and success.

This begs the question – with the old money model gone, what does the new thought leadership model look like?

Some companies believe the new model should focus its efforts at big thinking on how to cut costs. That would be especially valuable in times of a weakened economy, wouldn’t it?

But, generally, when you downsize, so does your competition. And when you lower costs, generally, so does your competition. And when it is all over, you may have survived, but you are smaller, weaker, demoralized and still without a competitive advantage.

Thinking big about efficiency is a way to lead, but not a way to lead yourself to greatness.

Some companies believe it's better to think big thoughts about technology. But from Cisco on down, we have learned the hard way that while technology is an enabler, it is not the big answer to marketing leadership.

Some say that the new marketing leadership model is predicated on branding. As you might expect, we at Lindsay, Stone & Briggs agree with them in principle. I say "in principle" because we don't always agree with the methods they use. Today, there's a lot of confusion on what it means to brand.

A design firm may argue that bold branding leadership comes from a new logo. A new product development firm might argue that to brand is to offer a new line extension. An ad agency may advocate that you can brand simply with a new ad campaign.

We at LSB argue that all of these vastly underestimate the potential of branding to fuel the new model for marketing leadership. Because what so many of these people define as branding is what branding USED to be in the old days, when the market was light on customer choice and was able to be driven by bigger spending.

We all witnessed some of this branding ignorance during the great dot-com boom. Many e-commerce companies claimed they were branding because they had clever names, amazing graphics and were launching big ad campaigns. But after they spent millions of dollars on the Super Bowl and more, potential customers still didn't know what many dot-coms did, or why they were superior choices to the status quo.

So what many dot-coms claimed were big thoughts on branding was misguided. Like the "so-called" marketing consultant who said, when asked about the demise of Pets.com, "It was their business model that failed, not their brand, for the sock puppet still has value."

Some marketing consultant he was – not to know that Pets.com's inability to link the sock puppet (their logo) with the buying of pet products from the Web site, was *precisely* a brand failure.

Today, no matter in what category you compete, all the money in the world spent on new graphics, line extensions, advertising, technology or cute mascots will not guarantee you marketing leadership. And thinking big won't either if you don't know what to think big about.

So, we at LSB respectfully offer a simple model for WHAT to think big thoughts about in this world of abundance, and HOW to lead people to get behind the big ideas you have.

As you might expect, we at LSB firmly believe that WHAT marketing leadership should be thinking big thoughts about is in fact branding.

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But given a lot of misunderstanding about what it means to brand, let me be perfectly clear as to what we think it means to brand *today*...

For the record, a brand is more than a new logo, slogan or ad campaign. Your brand is intellectual capital; the totality of the thoughts, feelings, associations and expectations that come to mind when a prospect or customer is exposed to your company's name, logo, products, services, events, publicity, corporate ads, product ads or employees.

“To brand” today means to find a way to offer what is thought to be – expected to be in the mind of your customer – a clearly superior choice. That takes three things:

- > First, strategically determining what would be the most compelling thoughts, feelings and expectations for a customer to have about you.
- > Second, to make sure those compelling feelings and expectations are fulfilled by every experience the customer has with your product, service, distribution, pricing, promotion and employees.
- > Third, to brand today means to leverage these compelling things your brand stands for with new product development, co-branding and more – in order to drive the company’s value.

In the last decade, millions of dollars of research and reams of analysis have created a considerable body of knowledge about how to do all this – in consumer marketing. And business-to-business marketing. In the marketing of products. And services. And for companies local and worldwide.

There has actually developed what some would liken to a science of branding, proving the characteristics required to be a strong brand, how to use branding to set forth an architecture by which to organize product and service offerings, how to track and measure your return on brand investment.

Given the knowledge base now available, the practice of branding has been elevated from that of what is possible, to that of what is probable.

And that which is probable IS the stuff of marketing leadership: The creation of predictable revenue streams, higher margins, clout with channel partners, easier recruitment of employees in a tight labor market, higher stock prices and higher market valuations.

Given the power of a good brand strategy, it’s most worthy of being the subject of WHAT to think big thoughts about in the new marketing leadership model.

So we at LSB respectfully argue that marketing leadership today will come first and foremost from thinking big thoughts about how to brand – that is:

- > How to strategically decide what feelings and expectations will give your brand competitive advantage.
- > How to produce those feelings and meet those expectations with innovative products and services.
- > What guerrilla communication methods will build high awareness of all this in a cluttered marketplace.
- > How to use entrepreneurial persistence to get your employees and boss behind big ideas so that you can make them a reality.

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In other words, the marketing leadership model in an age of super abundance is:

Brand-strategy focused.
Innovation driven.
Guerrilla fought.
Entrepreneurially led.

< **B.I.G.E. for short.**

At LSB, we argue that thought leadership in marketing should start with a focused brand strategy for *many* reasons, but there are two we'd like to highlight today:

> **The first is: In a world of abundant choice, your brand strategy is the foundation for why you are *not* just another “me too.” As such, your brand strategy is THE answer to the fundamental question all sound business plans must address: “In the eyes of my customer, what would the world be missing if my product/service didn't exist?”**

Think about that question. Can you write down your answer to it? “In the eyes of my customer, what would the marketplace be missing if my product/service didn't exist?”

If in your own mind you can't quickly and briefly articulate why you are a superior choice, then it's a pretty good bet that your customer can't either. If you couldn't answer the question immediately, maybe you need to be thinking big thoughts about what your brand should stand for.

For your brand IS your reason for being. The foundation for your business plan. If you're ever going to be thinking big in business, *this* is the place to do it.

In a world where we all have what we need, a business' existence depends on customers seeing in your products and services something clearly superior to what they currently have.

But does that mean big thinking on the *features* of a product or service? No. Although you certainly can't stop improving your product or service, or your competition will pass you by. But building your brand only on functional advances to your product or service won't get you the market leadership you seek.

Why? Think what happens when a company focuses only on improving functionality. We make a functional improvement. Our competition copies it. They have a functional improvement, and we try as fast as we can to meet it.

Functional benefits are the easiest things for competitors to copy. So while they are copying us, we are copying them and, well, neither of us finds real leadership, only a never ending treadmill for parity.

This, when thinking big is all about taking you *beyond* parity to competitive advantage.

Thinking big means thinking beyond functional benefits. It means focusing on how your product or service makes someone *feel*, or how using it will make them *be seen* by others. The emotional and social benefits of your brand.

BRAND-STRATEGY FOCUSED

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Bigger emotional and social benefits = Bigger competitive advantage



< For example, people don't buy a BMW *only* because it corners and handles well. Plenty of cars do that. The people who buy BMWs do so because they seek the *emotional and social rewards* of driving a BMW. How it makes them *feel* like they are in control. How it makes them *be seen* as a serious driver – a risk taker by others. They aren't buying the car. They're buying what is inside their head about the BMW brand.

In a world of too much, your sales and margins will never reach their potential if you can't envision, and then deliver, what will give you proprietary perceptions of emotional and social value in the eyes of your customer.

This is why your efforts at thought leadership must be focused on strategically determining what would be the most compelling and differentiating expectations for a customer to have of you. And then, making sure they're paid off with your products, service, distribution, pricing, promotion, employees and more.

There are many examples of companies who've arrived at superior answers to the question "What would the world be missing if my product or service didn't exist?" A classic comes from the European watch-making industry. Hit with hard times, one company dared to ask, "Why *do* people wear watches?" The functional answer was for telling time. The social answer was "as a fashion accessory." That big thought gave birth to the **Swatch** brand, which changed the category forever.

Nokia has beautifully demonstrated the power of building their business plan around emotional and social benefits, too. Once written off as a quirky, foreign also-ran to Motorola, Nokia has lately zoomed to become the category leader. Their strategy: to become twice as big as the next competitor and grow faster than the market. Branding their phones not only as functional business necessities, but also a way for people to express their individuality. To feel "cool." To be seen by others as "cool."

Another great example is **Polaroid**, where they redefined the company's target and recast their brand to the emotional and social needs of 11- to 24-year-olds. As a result, their new products are already the #1 and #4 best-selling cameras in the world, producing hundreds of millions of dollars of sales in 2000, even though the "Generation i" business was only started in 1998.

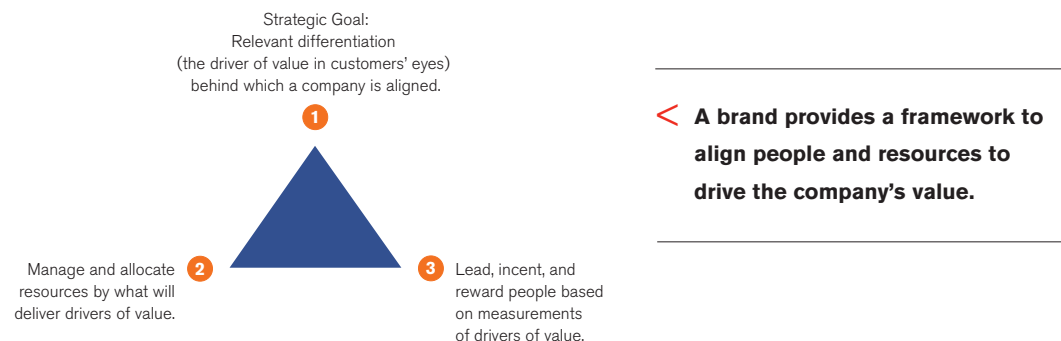
Swatch, Nokia and Polaroid prove that marketing leadership comes to those whose big thinking is focused on finding a brand strategy with emotional and social benefits that are relevant to the customer and differentiated from the competition.

You could say that the goal of *brand-focused* thought leadership is to come up with a "lighthouse-like" value proposition. Emotional and social benefits so striking they illuminate all competitors as inferior to your brand.

The need for such visionary value propositions is one reason why branding has now become the strategic responsibility of top management. Why branding has moved up from its traditionally low level in the organization where it lived when marketing success could be driven by financial capital.

> **Now the *second* reason that your efforts at thought leadership should focus around finding a compelling brand strategy is: Your brand strategy is a means to align everyone in your company to that which will drive your company's value.**

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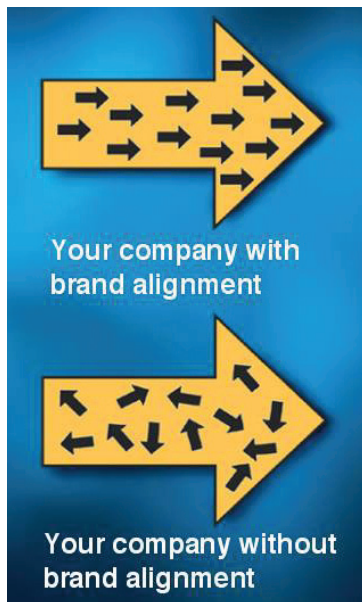
Branding does this by providing a means to align the three principle responsibilities of management:

- > The setting of strategic goals – that is, what will give you a superior value proposition and how you'll measure your delivery of it.
- > The management and allocation of resources – that is, the drivers of your value proposition which deserve priority.
- > The leading, incenting and rewarding of people based on their doing the things that leverage and drive the value proposition.

Of course, aligning a company around a brand strategy means training employees and channel partners on the branding basics in which they are expected to be proficient. A brand-strategy focus requires that a team have a *minimum* knowledge of branding in general, what their brand stands for in particular and how to innovate around it to further leverage its value.

A brand strategy focused business will seek to make every employee a *steward* of the brand, focusing its brand from the inside out, with an extensive employee training program.

Branding's ability to align a company's resources to drive value makes it an ideal point of view from which the CEO, COO and CFO of any size company should lead. In fact, the smaller your company or your budget, the *greater* your need to take a brand-strategy focus. For while no company has resources to waste, small companies by definition have smaller resources.



< **A brand strategy can align everyone in your company for greater efficiency and firepower.**

Aligning everyone with a brand strategy maximizes a company's operational efficiency, maximizes the firepower of your sales message against even bigger competitors.

"Ergo," the bigger a company's value proposition, the more powerful any company will be when aligned to deliver on it.

So to the question of WHAT you should be thinking big about in this world of "me too," it's clear that big differentiating brand-focused ideas cannot only attract customers and sales, they can supercharge your company.

That is why "Innovation" is the next element of the B.I.G.E. thought leadership model on WHAT to think big thoughts about in this world of "me too."

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Thought leadership concerning innovations can lift you above the treadmill of copying your competitors' features and functions.

Thought leadership concerning innovations can help you find that lighthouse-like brand strategy.

Thought leadership concerning innovations can help you give birth to new brands. Lead you to new revenue streams from the invention of new categories.

The legends that have done this are many, and include Snapple, Lunchables, Charles Schwab and Sony, whose Walkman brand platform teaches us an ideal of innovation: A platform of emotional and social benefits that is so scaleable it can be constantly refreshed with new products relevant for the times – giving the brand long term competitive advantage.

For many companies, all innovations start with fresh insights on the customer, competition and trends.

These come from research methods your competitors may not have used, and new methods of customer analysis, digging deeper into people's subconscious for things people often can't even articulate.

As a result, emotional and social insights are often found that are so fundamental, so revolutionary that they make complex human motivations seem simple, universal and timeless.

Simple. Universal. Timeless. All keys to successful branding. All fuel for successful innovations. Because brand innovation really begins by taking simple, universal, timeless, emotional and social benefits and asking of them: "How can we use these insights to provide a lighthouse-like value proposition for our customer? How could they drive products and services that would be so radically different from the competition as to provide a truly superior choice in the sea of "me too?"

The goal, of course, is to be the biggest thinker in your category.

Surprisingly, thinking big, *imaginative* thoughts doesn't require big money. Many companies swear that their biggest ideas come when they have no budget to spend on R&D or retooling. Only then do they seem to force themselves to think beyond the merely incremental or functional innovation.

Of course, thinking big is helped immensely by a culture where everyone is *expected* to think creatively. Where management demonstrates that creativity is valued and expected of everyone.



< **In a world of similar choices, either you make history, or you are history.**

Companies that are consistent thought leaders often require creative thinking skills as a *core competency of their employees*. Companies that are consistent thought leaders tap into hundreds of "ideation" skill sets far beyond so-called "brainstorming."

Companies that value big thinking maximize interconnections between people – so as to increase the incidence of seemingly disparate ideas being brought together in new ways. Their employees apply innovation to the leveraging of their brand at every turn.

Some go so far as to reorganize their entire company in an effort to make their already innovative culture even more so. They realize that their future depends on using innovation to keep their current products relevant and innovation to maintain their current category leadership. Innovation to create whole new categories and revenue streams for the company.

(This is no easy task, for it often involves grappling with things like how to develop and test new products when the innovations address a future to which people today cannot even relate.)

Coke knows that in a world of too much “me too,” innovation is the *currency* of thought leadership – thought leadership about what your brand stands for.

And also thought leadership about how to get your message out despite the media clutter of the marketplace. Yes, more innovation must be applied to your communications in today’s world of super abundant media and information.

As the famous guerrilla fighter Che Guevara knew, “For a message to change the world, it first has to reach the world.” That is tough in a world where it’s hard to get the customer’s attention to begin with.

The guerrilla branders who’ve spoken at Brandworks University® over the years – leaders from Harley-Davidson, Levi’s, Breathe Right Nasal Strips – these guerrilla branders tell us that no matter what their product or service category, their favorite guerrilla communication tactics include advertising and publicity.

These marketers tell us that while they ARE experienced guerrillas, first and foremost they are savvy on what it takes to brand in a world of too “too much.”

- > They cite research that shows that to be a strong brand you must have widespread awareness of your relevant differentiation.
- > They cite research from Harvard that shows advertising and publicity are still the number one source of customer perceptions about a brand’s quality.
- > They know from experience that when fighting one on one in the trenches and in the villages, advertising is like air cover – your only means to control your message, its timing, its reach and frequency against the enemy.

Some guerillas go so far as to control their message by starting their own magazines or programming, or creating a signature event. They try to infiltrate every nook and cranny where the battle for their customer segment is being fought. Few exemplify this better than ESPN, whose mission is, quote, “to be wherever people watch, listen to, read, discuss, play or debate sports.”

Of course, another *standard* of the guerrilla is making your brand message particularly innovative. The right message, delivered with enough creativity in ads and publicity, can even break through old stereotypes about your brand – as in the case of the California Milk Processor Board’s impressive “Got Milk?®” campaign success.

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Guerrilla branders today also use “viral marketing.” That is, creating “word-of-mouth buzz” like that done so successfully by the Breathe Right brand (in conjunction with the NFL), the *Blair Witch Project*, the Volkswagen Beetle or the Harry Potter books. Buzz is especially popular as a strategy now, because one of the biggest hurdles to launching a new brand or product improvement has been *cost* to launch. So if you can get a good buzz going in addition to your advertising, you can essentially do more with less.

When it comes to WHAT to think big about, the B.I.G.E. model asks us to think as innovatively about our marketing communications as our brand strategy, as our product or service offerings.

Now, HOW to lead is our final subject. Because, as we noted earlier, thought leadership on your brand, a new product or your ad campaign can make one's boss and troops nervous. How you lead them can result in responses like "there's no way in heck" or "go for it."

So HOW to lead is the last of the elements of the B.I.G.E model for marketing leadership. And it argues that the key to marketing success today is for you to be entrepreneurial in your leadership style.

What does it mean to lead like an entrepreneur?

A recent *Dow Jones* article says that entrepreneurial leaders are, quote, "confident no matter what, blissfully ignorant to the current economic conditions that addle everyone else. They're adaptable. Independent. Prone to taking risks. And they're a little crazy." Entrepreneurs press on despite the odds, out of fear that if they don't, they'll be left in the dust.

Yes, it is this kind of persistent and passionate leadership in the face of great odds that the B.I.G.E model asks of you.

You don't have to be an actual entrepreneur to be entrepreneurial in your style of leadership. In fact, an entrepreneurial type leader might have any title – president or category director or project ringmaster. But, in their heart, the job they really take on is "minister of momentum."

To be entrepreneurial in your leadership style means to inspire those around you with the innovations you believe in. To be unafraid to set an example of personal sacrifice in order to reach your goals. To build a "cowboy" culture that is not afraid of strong personalities and imperfect conditions. To be persistent in the pursuit of your "big ideas," despite what may be great opposition or a lack of resources.

For that which distinguishes entrepreneurial leaders from ordinary leaders is not just their thought leadership, but their positive attitude despite the odds against them.

Entrepreneurs think they can accomplish the impossible, therefore, they can, and do.

For as entrepreneur Donald Trump says, "As long as you're going to be thinking anyway, you might as well think big."

Trump should know. Thinking big has made him a multimillionaire. Leading with a "can-do" attitude has helped him accomplish time and again what the pundits have said was impossible. Thinking big entrepreneurial thoughts even when close to bankruptcy has helped him rise again.

And oh is he a master of showmanship and communication.

Love him or hate him, you have to admit he is a perfect example of the hallmark of all entrepreneurial leaders – knowing how to sell big ideas to those you need to have as willing followers: Be they investors, employees, wives.

> > > 11 Do you know how to communicate your big ideas so others will follow?

The most daring brand plans, product concepts and budgets will be most persuasive when presented like great advertising – based on insights that drive a benefit-oriented lead; a promise supported with proof, all presented with just the right amount of entertainment value, and an apparent confidence in what you are doing.

Do you remember the world leader everyone called the "great communicator?"

It was Ronald Reagan. A guy from humble beginnings that many said didn't have the talent to lead. Yet lead he did.

Even his political opponents here and abroad admit that he inspired a lot of people to buy into ideas many thought were “off the wall.”

Ana Quindlen of *Newsweek* explains Reagan’s secret – he radiated love of his job. He proves the rule that “the best leaders exude the confidence not necessarily of intellect, but pride of place.”

Reagan’s style of leadership was in stark contrast to Jimmy Carter. Both were saddled with a sagging economy, unemployment, low consumer confidence. But Quindlen notes Carter “made the presidency seem like the ‘Stations of the Cross,’ his burden to bear,” while Reagan radiated happiness in his work despite the odds against him.

Can you?

In the face of people disagreeing vehemently with your brand strategy, thinking your innovation is too far out, or being afraid your new ad is too creative, can you exude for all to see a quiet confidence, a love of your job?

Some say that only born leaders can do that. That Trump and Reagan and a lot of entrepreneurs are born to lead.

How many of you think that leaders are born, not made?

A critical mass of research over the years shows that leaders are NOT born.

That is to say, the research overwhelmingly says that people *make* themselves leaders. They *learn* to lead.

Research says that anyone and everyone is capable of being a leader.

The only requirement is that we try.

As the philosopher Seneca said, “The leader who is most powerful is he who has the power to first lead himself.”

So *will* you take a sledgehammer and smash your old mold of leadership?

Will you lead yourself to places you’ve never been, to do things you never thought you could do?

In a world where financial capital is being beat out by intellectual capital, will you find the power within you to be brand-strategy focused, innovation driven, a guerrilla fighter, an entrepreneurial leader?

You won’t have to tell us your answer. A year or two from now, we’ll know by your marketing success.

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> **MARSHA LINDSAY, PRESIDENT** | Keynote address at: *Brandworks University*[®] | June 2001

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