

China Speech Notes
03.29.2003

The Role of Brand
In Your Business

By Jay Abraham

[Jay's Note: On March 29th, 2003, I delivered a 6 hour "speech" to large association of fashion apparel manufacturers in Beijing China. These are the notes of my talk, reformatted for you so that they are much easier to follow.

The core of the speech centered around building, maintaining and sustaining a brand. But I think you'll see that building a sustainable brand also has a definitively strategic foundation. I hope that idea is powerfully conveyed. I know for sure the wonderful folks in China understood it and appreciated it. – Jay]

First of all, let's talk about brand's true role in your business success.

Whatever types of garments you make, there is always, not sometimes, but always a unique selling proposition or USP associated with it. That unique selling proposition, in many cases, is the basis on which you build your "brand." Brands play a critical role many business successes. In the garment business they could play the most significant role or the most modest. Depending upon the strategic positioning you've decided to take with your business or with divisions of it.

For example: If you are a manufacturer of a garment that is intended to be sold to upscale buyers or people who want to associate with upscale buyers, you obviously want to develop a brand that conveys exclusivity, hip, "class" and qualitiveness/desireability.

On the other hand, if you're a garment manufacturer whose positioning is producing generic garments for low-priced, high-volume retail chains or private label to be repackaged under a retailer's or distributor's chain, you have a different goal.

The point is you must understand the proper role your brand can play in the success of your business. If you are attempting to establish a proprietary positioning for your company and brand in the consumer's mind, meaning in the eyes of the end buyer at the retail level, the more you can turn your product into a recognized and prized and preferential brand, the more you will sell, the higher price you can get, the more loyal your consumer buyer, the more profitable your product and business becomes. You're also creating brand asset wealth for the future, which we'll talk about in a little while.

Understand also, if you're going to build a brand, there are two kinds of brands. There are the solid, respective, qualitative, distinctive brands, which represents the bulk of the products out there. Then there are the fiercely fanatical loyalist brands where people would kill to be able to own those brands. Those are literally the brands they want to own. They are the most prized, the most respected, the most impressive, the most highly sought.

Normally, to sell more product, you either price low and become a generic or you price high and you become a brand. If you're going to price high to become a brand,

you've got to be able to inspire tremendous brand enthusiasm from every element of the buying continuum, meaning you've got to get the retailer enthusiastic about you or the wholesaler, whoever you sell to, and you've got to get the ultimate buyer, the consumer, passionately and wildly enthusiastic about you.

The actual quality of the garment, ironically, is only a key factor if it is to be perceived to a buying determinant by the end consumer. Or if it is perceived to be that by the retailer and that factor is turned into their advertising.

A brand garment can provide the wearer, the consumer, with a sense of celebrity. Fully understanding how to develop and manage your brand "equity," meaning the value you keep building into what the brand stands for in the marketplace is what you're really after.

I'm not trying to today to approach it just as an expert but also as a student would. So I'll go through issues I think you'd go through if you were doing your own study and your own research. There are ordinary and there are legendary brands. Let's start with that. A legendary brand is totally different than an ordinary brand.

An ordinary brand can be almost any product that has a strong unique selling proposition that appeals, to its intended segment of the market. It can be a high-priced spread. It can be the medium spread. It can be the average spread. It can be the sporty one. It can be the conservative one. It could be the enduring one.

The legendary brand is the brand that the manufacturer has built a fierce code of conduct, a persona, personality, a belief system around. Advertising can play a huge role in the successful creation and sustaining of a brand. Legendary brands tell stories, build a mystical almost history and following that breeds incredible word of mouth and buzz in the marketplace.

A great brand gives you great advantages:

- 1.) You get more shelf space
- 2.) You get preferential treatment by buyers
- 3.) It's a "have to have" item so they don't negotiate as heavily with you.
- 4.) You can charge a premium for it if market demand is there.
- 5.) It builds a presence you can build other products or services off of.
- 6.) It can give you access to new distribution channels, new markets
- 7.) It also can give your product an incredible element of exclusivity.

There are different ways to establish a brand. One way is with a brand agent. A prominent person like a Michael Jordan, Tiger Woods, or a rock star endorsing it, wearing it, talking about it, being a spokesman or woman. The other is the founder, the CEO, turning himself or herself into a near religious apostle from the brand --- who's on a mission to turn his or her products into the prime garment people wear. You can get celebrities. You get a specialized spokesperson. You can create fictional characters to personify your brand.

There's a big difference between building a brand and a long-term business strategy. Most companies that I meet (and I don't know that you are any different, there's a lot of large companies in this audience but probably a lot of small and medium ones, also) they tend to be tactical. Their biggest concern right now is: Hey, "let's sell enough garments to pay our bills, to make payroll, to stay in business, to make it through this selling season, to keep our machines producing and our people working and paid."

It's a very different distinction than creating a strategy that is designed to build a definitive brand presence in one or many categories --- to use those brand presences as a stabilizing, solidifying and marketing dominating force in the category that you're selling into, to firmly establish that, to then build on it either a constant array of new styles and fashions and/or a systematic introduction of new products and distribution channels.

The key is: To build a long-term, enduring long-term brand, you must also have an enduring long-term strategy that that brand is the driver of. You don't just build a brand and no intelligent system for maximizing it. The strategy drives everything else in your business.

First we have to figure out what your business strategy is. Then we have to figure out how your brand integrates with that. Then we've got to basically figure how many elements or activities or marketing tactics or approaches are required or are available to really maximize the impact that that brand strategy has.

For example, tying in with the store. It's obvious but a lot of you may not do that so we're going to explore that in a little while. The trick is that if you've achieved total congruency meaning your brand is achieving and establishing the goals, the mission, the vision your overall business strategy set for it, that's great. That's wonderful.

Here's some things to think about though:

- 1.) You've got to get your business and your brand strategy always to work together. That means everybody's got to be clear on what you're trying to do or it will fail. It can't just be your single-minded goal to build a good brand.
- 2.) You've got to figure out then once you've got your strategy firmly established, how is your brand going to solve the buyer's problem --- what its role going to be in this whole process. How is it going to make certain that business strategy you set really pays off?

- 3.) As you're building the brand, how can you build it systematically, strategically and sequentially so it ends up being the most valuable asset your manufacturing company has. Because without your brand, without the relationships you've got, all you are is basically another generic garment manufacturer. One of how many? A thousand? Ten thousand?

There's a big difference between focusing on brands and focusing on advertising, promotion, etc. Those are only vehicles to achieve the overall brand strategy. They're tactics. Take a militaristic view. Strategy is the overriding vision. The game plan. The tactics like advertising or promotions, etc. are nothing but the mechanisms or the ways that you, as a managing director or CEO, deliver the big marketing vision continuously to your company, or to your shareholders or to your employees.

Your brand should be viewed as a strategy and not a tactic. Your brand can become the reason your company exists. Brands properly developed are invaluable assets. Your strategy might be to build a brand up so that somebody else can take you over or you can take somebody else over. You can go public. I don't know enough about the Chinese financial marketplace to know that that's possible. We'll talk about it later.

Strong brands attract loyalty, which translates always to greater profitability, less discounting, more certainty, more shelf space, being paid better, faster and more and being much, much more successful. When customers are loyal to your brand, they are eager to accept new products or services offered under its name so you can the open up new markets, new categories, new products, new distribution channels.

Let me give you a couple of examples of some brands and what their premise or their promise or their unique selling proposition was. When Dell computer hit its big success, it's because it was the first, in a computer world where the everyone was forced to buy whatever the retailer had in the store on their shelf, Dell took the opposite and said, We'll sell you the computer that's right for you. We'll custom build it for you and you'll get it in one week.

When Intel started branding its chips, it built its reputation, its position, its unique selling proposition on the fact that Intel had the fastest most dependable, most powerful speed. Volvo built their brand, which is an automobile, on safety. Not on beauty, but on safety. If you're in an accident, you want to be in a Volvo. Amazon.com built it on convenience, choice and education. Fed Ex, simply --- years ago when Federal Express started there was no dependable small package delivery service you could get that would be delivered in anything less than five or ten days.

Fed Ex was the only guaranteed, overnight, early morning delivery in the game. Virgin Atlantic, irreverent. Continental Airlines, tremendous service. Southwest Airlines, fun, pleasurable, enjoyable experience in an area that's really unpleasant.

If you're going to build a brand, everyone in your company must understand the brand's key role and positioning and they must contribute to your being able to achieve it. Management, meaning you, your executives if you have an executive team, your sales force, your financial people...you must make a constant commitment to the brand.

You must commit allocated resources to marketing, to sales people, to supporting it. It may mean you put advertising into the marketplace for the brand itself. It may be that you cooperatively give advertising monies to your retailers. It may mean that you create a phenomenal point of purchase. Either displays or signage. It may mean that you go out and you hire, you negotiate and you pay in either kind, meaning in your garments, or in the equivalent, which is money or stock in your business to great endorsers.

It may mean that you organize and you constantly have creative minds fully aware of all the options out there to promote and events and activities that will denominate and distinguish and differentiate your garments as the ultimate garments to be had, worn and owned in the category you're trying to reach.

You must be able to communicate your brand strategy at all times. Because if you do, if you can explain it, if your salespeople can explain it, if people in the factory can explain it, if the buyers buying the product can explain it and get it, it'll catch on.

It'll be contagious. It'll be exciting. You'll come alive and so will everyone else and it'll take on a life of its own. Your business strategy has to be overlaid and always connected to your brand strategy. We talked about that but you've got to know what your business strategy is and the brand is nothing more than the vehicle to drive that business strategy.

If you say, "we want to be the greatest company in the underwear business," then you've got to decide: Do you want to own the high-priced underwear position in a store? Do you want to own the average underwear? Do you want to own the dainty women's underwear? Do you want all of the above? Well, all of the above requires you to have separate brand managers because you can't have one brand be everything or it will self-defeat. If it's only one niche you want to fill, you've got to basically put together the business, and brand marketing strategy that delivers the results/the outcome that your vision is designed to deliver.

Brands can't flourish without the marketing capability. There are so many ways you can market your brand. So let me list some of them and let's talk about them. Print, television, radio, advertising. They can be done separately. They can be done in concert or collaboratively or co-branding with a given retailer or a chain. Or with other non-competitive brands, too. Or within store displays. Or when people walk into the store. Or when people go to the section your product is displayed or stored on at the shelves, at the cash registers.

If people see powerful point of purchase displays, powerful signage, powerful display areas, hanging signs. If everyone working in the store is wearing your product,

then it probably has a good chance of being the product that will catch on. That's what people will buy.

In the beginning, if they don't know what your product stands for, not "why it is," but why they should see it as the desired garment to purchase, you've got to formulate that vision for them.

The website. A website may or may not be as relevant a brand building and sustaining marketing tool in China, but in the U.S. it's very important. It's "hip." You can tell stories on it. You can show styles, sizes, and models. You can describe fabric design and composition. You can dimensionalize the product or the wearer. It's really cool.

Coupons. Special promotions that you either do yourself in the marketplace, in newspapers, in direct mail with other retailers, with other products of all kinds or you do it jointly with the retailers.

Direct Mail. I don't know enough about what the direct mail environment in China is, but sending out coupons, sending out samples, sending out invitations to events --- using direct mail can be very powerful, I would think, because China's probably about where the U.S. was years ago. And direct mail years ago were amazingly powerful.

E-mail. If a retailer has a quality list of e-mails of many, most, or all of his or her buyers, letting you do an offer to them that introduces your product, offers them a chance to try it out at their store --- it can be wonderful. You can also build a list of e-mails through a number of different items. For example, advertising direct, joint ventures with other people. And you could have people on their or your e-mail list be notified anytime new garments come out, new stores open up, new products or markets are developed.

Retailers advertising. You can create great advertising that your retailer runs under their name in all the advertising mediums out there and that you financially co-op with them.

Sales reps. Your sales reps are one of the biggest factors in the whole creation of a brand. How they look. What they say. The offers they make. The reference and the attitude they've got about your garments will have almost everything to do with the result, with the attitude, with the mindset that the buyers at the retailers adopt. And that will translate, also, to the cooperation and the support and the collaboration that you get from them at the retail level.

You can get a lot of co-partners who are not directly competitive, who have something similar to gain, who want to reach the same market, but for different reasons to work together. Maybe you have a soft drink company that goes in with you. Maybe you have a car company that goes in with you. Maybe you sell pants and you get a belt company. Or you sell only bottoms and you get a top company to partner with you. Or you sell tops and bottoms and you get a shoe company. Or you sell shoes or you sell

overcoats and you get a casual clothing garment manufacturer to partner with you. It could be fun and it could be very powerful. Your employees are an incredible way to advance your brand, because each one of them tells tons of people.

Enthusiasm is contagious. People when you recruit. Whenever you're interviewing. Whenever you're talking about your product at trade shows, at promotional events. In employment interviews. The more passionate and clear you are about your brand's distinction, its role, its purpose, what it stands for, the more success you will achieve. People in your community. You can influence a lot of people in your community through community service in behalf of your company and your brand.

Public relations. That should be the big, big, big part of your brand. If you do things, it should be made exciting for the public to notice. It should be talked about in the media, in the magazines, in newspapers, on TV. You can sponsor a lot of local events. Tie your name to it and make it fantastic. Don't just put your name to it. Do things that are either very logical or very audacious, depending on the kind of garments that you have and the kind of market you are targeting.

Your sales force will always be one of your biggest and most effective forms of brand development. Any speaking you, yourself, do... any chance you get to address a group (if you're at all comfortable with public speaking,) that's a chance to advance the image and impact of the brand. That's a chance to give out little promotional items. If it's a garment that doesn't cost you very much, give it out. If it's somebody who's truly influential, invest it that way because if you could get a thousand of the most influential people in China wearing your clothes, whether it be men or kids. The buzz and influence factor could be profound. If they have kids you give them things to take home, that's powerful.

Once you get a list of all the items, all the areas you can impact your brand you have to prioritize them on what is the most appropriate, actionable, practical and impactful for you given the kind of garment, product, market and brand positioning you want to develop.

Then once you prioritize, you've got to manage it. Managing it means figuring out day-to-day, week-to-week long-term process, promotional calendars, sales calendars, communications calendars, advertising/marketing collaborations, figuring out U.S.P., developing it, figuring out how to present it, understanding that one of the keys to presentation is the ability to use audio/visual tools. So you've got to be able to really sell the buyer at the store level.

You've got to think about a bunch of very interesting factors, too. One is the pre-purchase experience. This is what happens prior to purchasing. Then you've got figure the buyer's probable cycle of life. In other words, all the different...they call them impact points you will have directly or indirectly on them that will serve to help you advance, enhance and solidify the success of your brand.

You have to develop key goals for that pre-purchase experience:

- 1.) The first goal has got to be always retain your current customer. You can't abandon your current buyers unless you've got a much bigger market to replace the one you sell to now.
- 2.) You've got to increase the brand awareness in the market.
- 3.) You've got to clearly establish the brand's position. People can't just know of it. They've got to know what it stands for. Why it's the superior or only viable choice.
- 4.) You've got to think, again, about the current level of satisfaction that both markets you serve experience. One market is the retailer. The other is the consumer. Can you vastly and vividly improve, enhance and increase the dimension of their experience? If so, how many different ways could you distribute?

People become aware of your brand from many different ways: advertising, promotion, marketing collateral material, direct marketing, your website and your sales reps, trade shows, corporate sponsorships, endorsements, testimonials, e-mailings and "buzz" that you create.

So the question is: How do you get the consumer to buy your brand?

- 1.) Well, the first thing is they've got to see your brand as a more desirable alternative than anything else out there. And the most essential thing you ought to master first, is to learn how to make it your brand not just the best choice in the category but the only choice. How do you do it?

You get really clear in language and in feelings on what the end buyer really wants that maybe they're not getting from anyone else they deal with. Most don't even know what they want. And your opportunity becomes the ability to put it in words. You put it in words so clear and so impactful that it resonates. Next, you translate that to a series of powerful marketing and sales campaigns that are designed to telegraph the message you've got.

- 2.) You get everybody in the retail sales channel excited about your brand. How do you do it? Different ways. It depends on what you're selling. Some people, they're selling a more bland, more generic product, they're going to have a challenge. How do you do it? You've got to stand out.

You've got to be willing to realize one thing also: Their retailer interest is either selling more product, making more money or saving more money. You don't want them to look to you to save more money because that means you've got to either reduce price or find a superior technology that allows you to keep the same margins or more but lower the price. The other two things are to help them to sell more products or to make more money on the products they sell. Or both.

How do they do that? By having you help them dimensionalize your product above all the rest. If there are fifteen different manufacturers of socks, for example, and most of them are no-names and you develop a brand presence an image, popularly, logo, and brand agent. Then yours become the “esquire” of all socks.

First of all perhaps, you start advertising pictures of the most distinguished men and women in China and they’re wearing your socks. And you develop a positioning statement for them. And you then develop a commitment to brilliant marketing support that no other sock manufacturer is doing for the retailer. And you say to your retailer, “Everyone else is just saying, ‘Let us take advantage of the customers you draw into your store.’”

You say, instead, “We’re going to build more customers coming in and we’re going to get customers buying more and we’re going to build more repeat purchases. And we’re going to build more price, more profit for you because we’re going to make our brand more desirable, more of a celebrity. Anybody can wear no-name socks but our socks with a little logo on the corner or our socks (with a little picture embossed or with a little distinctive green line down the side) or our socks with a little signature or our socks with special colors that are wild or different or two-toned...Our brand designs are unique and our designer is an artist and there’s a great story behind it that the market loves and that inspires them.

And you start telling the story. And you tell the story through press releases. You tell a story to the buyers excitingly through your sales people. You tell the story through brochures and you tell the story with point of purchases and you get all the sales clerks wearing your socks. Guess what? People start looking at your brand very differently.

How do you set and maintain the positioning for the ongoing relationship you’re going to have forever with your target market?

Well, it requires (your or someone’s) full-time attention. It’s not a part-time job. You’ve got to constantly be building the personality, the dimension, the interconnection between your brand and the consumer, the greater the connection, the greater the bond, the greater the loyalty, the greater the sales, the greater the premium you can charge for it. It’s that simple.

From a company or corporate standpoint, you’ve got to be committed to constantly assess every one of those marketing and brand building impact points or tactics we’ve talked about. You can’t just do a couple of them and stop. You’ve got to have a marketing budget that keeps going that you reinvest in. You have to have special promotional events that are constantly scheduled. You’ve got to tie them in to both occurrences in the marketplace, to seasonality, to specific demographic groups, buy in segments you’re trying to reach, to locale, to retailers and to all of the above.

You've got to tie it to the retailer's stores and the physical environments they have so that you're always advancing the brand strategy at all times. You've got to always have your field salespeople be advancing the brand in a strategic manner. You've got to be putting out great educational information. Information that constantly distinguishes and differentiates your brand. And you've got to create customer commitment that is unbelievable. If you want your brand to be great, you've got to be committed to the end customer. You just have to. Sales people are one of the keys here. It's what helped IBM build themselves and turn themselves around.

It's what helped countless market leaders build massive organizations. Your sales force is considered to be by most companies the best brand-building tool out there. And most sales people don't even know how to consultatively sell. Most manufacturers don't even have a well trained sales force. Most people's sales force is reactive. Most people's sales force isn't a brand mascot. You've got to be that.

You've got to make a lot of strategically critical decisions. Are you going to price your brand high and limit distribution? Are you going to price it high and sell to everyone? There's a lot of choices here. Are you going to work with third party distributors, because if so, they're going to have to be the emissaries that carry the banner for your brand? If that's the case, we're going to have to deal with that, too. (We need to ask questions and interact with the audience here, guys.)

The ultimate objective, the ultimate outcome you have is to increase the legacy value, the sustaining desire in the marketplace to keep owning, buying, and wearing and having your brand on their bodies. For many strong brands, three-fourths of the people buy them again and again. And that's what their strategic marketing goal is --- the repeat loyalist who fanatically wants that brand of item and that brand only.

It only happens if:

- 1.) You establish in the eyes and the minds of your intended consumer what the promise of your brand clearly is and then you over deliver on it. You've also got to not just deliver on the promise, but it's got to have a separate set of value in the eyes of the consumer in terms of value that THEY respect, not that just you do. Because their sense of value may be totally different than yours.
- 2.) And then you've got to continue to surprise and delight them over and over again by doing the unexpected---the extraordinary!

You've got to have an incredible "Unique Selling Proposition" that you are so clear on that it can be uttered or translated in thirty seconds or less. And it must absolutely, positively be the desired result, benefit or experience your market wants to receive. Some cases in point: Fed Ex used "When it absolutely, positively has to be there overnight. Fed Ex." Avis Rent-a-Car said, "We're number two so we have to try harder and do more for you."

A big clothing chain in the United States called Nordstrom's says, "If you're dissatisfied with any purchase any time, in any way in the future, you can have your money back, you can have a refund, you can have an exchange. Your choice. No questions asked." Domino's Pizza, the biggest pizza and delivery chain, used to say, "Hot, fresh, delicious pizza. Delivered to your door in thirty minutes or less or it's yours free." Those are USP's. Those are positioning promises.

The customer's perspective has got to be what THEY want. Whether they trust in their dealings with you, they trust in the construction of the product, they trust in the promise you make, they trust in the quality, etc. You've got to leave a brand legacy. That's the real asset you're building with this manufacturing business.

It's not really the factory and the people, although the people with their loyalty and commitment are certainly important. It's the legacy you're leaving. The fact that every time somebody buys an Acme or an Excelsior or whatever the name of your brand, not even your company, but the brand is what they are buying. Every time that either you or your mascot or your image or your promise is riding on it and they can't wait to buy more and tell more people.

Do it right and the word of mouth for your brand will be beyond comprehension. People can either have a bad experience, a non-plus --- meaning a non-distinctive experience, a bland experience, a superior experience, a spectacular, or an unbelievably great experience. They tell about eight times as many people about a bad experience, but they'll tell about twenty-five times as many people about an extraordinary experience. Your most differentiating element can be word of mouth and you do it by exceeding well above people's expectations.

Let's talk about some other areas you've got to be aware of in thinking through the whole scheme of impacting people in your brand strategy. In retail, the entrance and the exit and signage are major strategic leverage points to focus on. The programs, product introduction, periodic invitations to experience things, events, the cross selling, up selling you do---all are important to building the brand.

There's a saying in marketing and in brand management that what is not measured is not managed. So you've got to learn how to measure different strategic marketing efforts and effects. And the more you can quantify, the more you can demonstrate, the more you can promise, the more you can guarantee certain levels of sell-through or superior financial performance against a generic or against a lesser established brand, the more effective you will be in getting your brand in the door and on the retailer's shelves. I recommend always that your brand has to deliver on the promise that you make, and if it does, boy, you're in great stead.

Having committed to continual research, product and market development, training of your people, training of the people of your retailers, training your buyers at the retailer level to know the difference between your brand and the competitors, so they respect yours and really do the most with it and for it.

Then, you're going to look at what other categories of products or services can you sell via your current brand positioning. You've got to ask yourself, what would your brand have to be or do you to be able to put it into a new product category. You've got to learn the strategy of preeminence and I've got to teach it to you.

You've got to connect your brand to a higher purpose. You've got to be focused on bringing a greater experience, a greater sense of exclusivity, a greater amount of joy, a greater sense of prestige (or whatever element of promise your brand is designed to do or deliver) to the market.

In your recruiting, in your employee orientations, your ongoing training, you've got to make that brand the strategic focal thrust it has to be. You can build brands with incentives. In the United States, of course, we give all kinds of wonderful brand building strategies. When you buy perfume, you get all kinds of other cosmetics or a tote bag or a brush or a purse or a scarf as a permanent brand reminder gift. When you test-drive a car, you get a gift. When you buy a car you may get a set of luggage. There are all kinds of ways to incentivize someone to buy. You buy two, you get some special gift --- maybe a t-shirt or a special edition item that cannot be purchased. It's only available and given out free with the product purchase.

If you want your garment company to be the premium brand, you've got to work backwards. Real simple. You ask yourself, just like a programmer would, what's it supposed to look like at the end? I don't mean when you die. I don't mean when you retire. I mean when you get to the point that your strategic vision is fully achieved. And if you don't have that strategic vision, then we've got to back and create the strategy that drives your brand. And I think we'll spend some time doing it here in the interactive segment.

We've got to figure what your brand is supposed to be doing strategically for you. If it's going to be the premium brand, what's that going to look like, transactionally, image-wise and attitudinally? Is it going to be a premium brand at a slightly higher price? The premium brand at a premium price? A premium brand because it's constructed more qualitatively and you put more into it? The premium brand, because it gives more profit to you and to the retailer? We've got to figure that out. We've got to figure out how we drive that strategic outcome with the retailers full support---and how we can do it in stages, if you've already got a generic brand so you don't lose your cash flow security until you can transform it.

You can't connect your business strategy and your brand strategy until we make a couple of distinctions:

- 1.) Strategy is very different than tactics. Strategy is the overriding vision, the guiding force, the guidebook that determines everything your business does and what it does and what it's trying to accomplish.
- 2.) Tactics are the elements that get you there.

- 3.) Brands are basically an integral strategic component that drives your strategy and lets tactical elements achieve it. There's a big difference and we'll have to establish that for you. Your brand can drive a lot more profitable growth because you're distinguishing yourself and you're making it stand out in people's eyes.

I want to get to another interesting dilemma here. It may be that the brand positioning is not in the consumer's eyes. It's got to be a brand that you establish in the retailers mind because you do more for them and they sell it to the consumer. You help them sell more. You help them merchandise better. You educate them better and teach them how to educate their consumers. You measure, monitor and quantify better. We're going to talk a lot about testing and about variables and what I've learned about testing a lot of variables because it's going to blow your mind.

Your brand drives more profitable growth because you can demand more respect and prestige. You can demand greater pricing. You can demand less discount. You can demand better, faster pay from the retailer. You can demand better positioning. You can demand more display space, more selection and more cooperation from your retailer when they need to have your brand in their store. There's a very interesting bridge between building your strategic brand and owning that place in the minds and the hearts of the consumer you're after.

The way you best attract and sell your products to the best customers in your market are three-fold.

1. You literally have to know who you're trying to sell.
2. What need you're filling better than the alternative/competition does.
3. You've got to take the risk of the transaction away from the buyer.
4. You've got to show them the benefit.
5. You've got to provide a call to action.
6. You've got to be able to demonstrate your complete value proposition is totally fulfilled.
7. You've got to over deliver on.
8. You've got to communicate with them constantly, because "out-of-sight" is "out-of-mind."
9. You've got to be able to sustain the congruency of what you've done.
10. You've got to be proactive vs. reactive (and I'll get into an explanatory discussion but I don't have time right here).

Becoming a branding powerhouse starts first of all with a clear detailed vision --- a vision you can really believe. A vision you can get animated throughout the minds and hearts of buyers and consumers alike. And, again, part of it is living the strategy of preeminence. The next is learning to understand what "true value" really means to the market that you're serving. And I would ask you to give me examples of some of the

more successful brands in your country and what they do different than their generic or branded competitors. And let's analyze it right now. (And we'll do some work right there.)

The way to also sell the product to the best customer in your market is you find out who exactly those customers are and how to best meet their needs. You build a list of them. You realize that you've got to be able to sequentially demonstrate to them how, why and that you can outsell your competitors merchandise for them at retail. Retailers WILL sell more. Your product WILL sell more product on its own. Your displays will sell more of your product or you will be able to help their people sell more or all of the above and/or they will make more profit. You have to become able to demonstrate all that.

The best ways I've seen for turning a losing company into a solid moneymaker.

There's a lot of ways:

- 1.) First, you've got to go from a tactical marketer to a strategic one. I've got to explain that (done in free form).
- 2.) You've got to go from being a reactive company to a proactive one.
- 3.) You've got to go from being a non-marketer to a strategic marketer.
- 4.) You've got to be able to recognize that the most successful companies I've ever seen turned around were the ones that engineered the most number of consistent, continuous and qualitative breakthroughs in marketing, strategy, innovation and management.

Innovation is not necessarily high tech. It's bringing greater value to the marketplace that they see, desire and seize. It's making offers that are irresistible. It's out marketing, out positioning all the competition. We're going to talk about that today. And I'm going to send you also my Three Ways to Grow a Business model so you understand that. It's very powerful. It's very powerful. (Note: Ask Carl if you'd like a copy.)

- 5.) The other ways to turn a losing company around is basically through process improvement. You follow best practices and I'll have to explain that to you but it's figuring out who the highest performing people are doing the same thing you do and apply their standards.
- 6.) Find people who've got more to gain than you do who will provide whatever you can't do productively.
- 7.) Become much better trained in consultative selling.

- 8.) Acquire the lines, the brands, the accounts of company's and brands who are weaker than you but have good reputations.
- 9.) Put other people's products or services through your distribution.
- 10.) Put your distribution through other people's.
- 11.) Master selling at an art and science/proficiency well beyond your competitor's level.

Reflections: *Getting Deeper*

- It takes ten times the cost and effort to gain a new customer, than it does to keep an old one and resell them.
- A 5% increase in customer brand loyalty/market share could result in as much as a 595% increase in profit.
- For every company listening to this speech, the benefits of creating greater brand loyalty cannot be overstated enough!
- Look at your customers (client's) total purchase experience to see brand impact points you can leverage greater.
- First, start out by realizing that the most legendary and successful brands are the ones that start out and fiercely maintain a long-term world-view of their relationship, impact and importance to their marketplace.
- Brand Strategy is best affected through great storytelling. Storytelling, myth building mystique creation is a key to building a dominant business brand.
- The more legendary the brand the more dimensional and substantial the story behind it or associated with it. Legendary brands are great storytellers.
- They forge and adhere to a set of sacred beliefs that everyone in their company holds as sacred sancta.
- The tie that binds these dominant brands to their fanatically loyal customers is stories.
- Legendary brands connect you to their story, their belief system, their vision for you and the world.
- They get you the consumer deeply involved in the process, you become smitten with their purpose. Possibility-based view and you become their evangelist!

The greatest brands have full-time brand managers looking after and adhere for the brand.

These companies dedicate large segregated areas at their offices to a brand war room when the brand management confers frequently to collaborate and forge strategy and tactical actions.

They look at all four key impact points in the buying experience:

- Pre-purchase
- Purchase
- Post-purchase
- Repurchase

Legendary brand managers carefully identify all the key elements, arenas, and ways they can positively impact, influence and ethically control the “cycle of purchasing life” that every customer goes through.

You can't positively impact these factors, if you don't clearly identify, understand and examine each one very carefully.

(Here we spent two hours getting deeper into each arena with dozens of examples.)

If you look at the most legendary CEOs of late they weren't formally trained as marketing experts. Yet they used strategic marketing executed through brilliant brand positioning or repositioning to transform their company and it's dominant success in their field.

Until and unless you decide to strengthen your company by building a better strategic vision, strategic marketing game plan---and build/deliver a bigger, better promise to your marketplace---you won't be able to successfully differentiate your organization, people or products/services from the corporation.

The marketplace loves a great story tied to an irresistible value proposition. Your job if you want to build, improve, grow and sustain a strong...and preferably a legendary brand is to understand clearly all the integral strategy behind it's creation and sustainable success.

Strategic marketing time working on your story.

Making your company, people or product/service into a world-class/legendary brand should be one of the key strategic marketing goals you focus continuous attention upon.

Here we got into deep discussion, Q & A for two hours. I walked everyone through all the different impact points---provided case studies and etc.

My conclusion?

No matter what business you are in, you are in the strategic marketing business first and foremost.

Unless you recognize that strategic marketing is what gives legendary brands, their life, appeal and success...you will never be able to create one for your business.

Spend the time, effort and commitment necessary to master marketing (in all its nuances) from the strategic, not tactical level.

Companies you'd be wise to study include:

- Kodak-Kodak moment
- Panoramic-Jan Cam
- Root Clothier to Olympics
- McDonald, co branding with Disney
- Starbucks
- Saturn
- American Express-Rewards and VIP Status-Program
- MTV
- MasterCard
- Forbes
- Amazon.com

Look at every opportunity for your brand to be the hero. Look for every opportunity for your brand agent to be the hero. Spend quality time and then carefully formulate long-term, fully integrate brand based implementation plan complete with schedule of marketing calendar, promotional calendar.

Remember your sales force is the biggest potential emissary and champion of your brand. So don't minimize the extraordinary leverage opportunity, training, inspire and instill in your sales force the fullest passionate understanding, appreciation and respect for your brand's strategize strength, positioning and differentiates place (unique selling advantage) in the marketplace.

Q & A