

Brands, communications and the mind

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Products are made in the factory, but brands are created in the mind.

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The brand's function

There are people even today who confuse a brand with its logo, reducing the brand to its signature. There are also those who view a brand as something that is merely cosmetic, as if the brand name were a type of 'make-up' applied to the product or the service, but a brand is not a decorative element.

The brand name is a very profound concept. It is a promise of a unique value. And this promise has to be fulfilled with an experience that is gratifying to the body and/or mind of the consumer. A gratifying experience is key. The external reality (a product's characteristics or the brand's attributes) are determined by the internal reality (the psychological dimension, the person's experience).

The brand has to be original. The worst thing that can happen to a brand is for it to be a copy of another, a replica, a 'me too'. Imitations directly attack the concept of the brand itself and are against its very essence.

Brands exist thanks to the fact that the brain and mind are capable of working with intangibles. A brand is an attractive and aspirational world for consumers. A brand has to attract people like a magnet. It has to create interest. Afterwards, there must be consumer satisfaction to achieve loyalty (repeat purchase).

A brand is a living reality. It has to be dynamic. It has to be active. It has to be present in the life and mind of consumers. It has to stimulate their brain. It has to generate emotions and make them excited. It has to communicate passion and enthusiasm.

A brand has to be genuine, faithful to its principles and values. In this sense it has to behave and communicate in a consistent way. It will change,

surprise, innovate ... but in a way that is consistent with the brand's essence. Brands have a certain margin for manoeuvre, but they cannot move away from their reason for being. They cannot echo what the famous actor and comic wit, Groucho Marx said: 'Those are my principles, and if you don't like them ... well, I have others.'

These days, mature markets are saturated and brands have to be very relevant, creative, effective and efficient. It has been observed that it costs more (energy, money) to capture the attention of a new mind (potential consumer) than to retain the loyalty of a current consumer, offering them better and new brand experiences.

Five different aspects of a brand should be distinguished:

- 1 its values;
- 2 its products or services;
- 3 its communications;
- 4 the scenarios it develops (media plan and 'touch points') – contrary to what many think, creativity and the ability to achieve a significant impact can be more important than the size of the budget; and
- 5 the most important: the consumer (the target audience).

New challenges for brands

The market always presents new challenges. This may involve opening up markets in emerging countries where brands have to adapt to very different cultures and where they have to connect with very different consumers.

For mature markets, the biggest problem is saturation and the difficulties differentiation presents. Since most brands carry out their own market research, they really understand consumers' tastes and they adapt to them as closely as possible. This is why it is so important to achieve those small differences between products, which are perceived as enormous added value in the mind.

In mature markets, brands are having to adapt when trying to reach the industrial, business to business (B2B) sector. Here, unlike fast moving consumer goods (FMCG), the products and services are less attractive, less glamorous and offer fewer opportunities to resort to the 'licence' offered by imagination and creativity. Brands also offer huge possibilities when it comes to differentiating between, and being attractive to, different geographical locations. Brands are heading towards the concept of territorial brands: country brands, regional brands, city brands (city marketing), town brands, etc. By the same token the idea of branding is reaching official bodies, associations, museums, etc. It is also reaching out to the small and medium sized business (SME) sector: shops/stores, self-employed people, and even personal branding. The more saturated the world market becomes, the greater the need for differentiation.

The keys to brand success

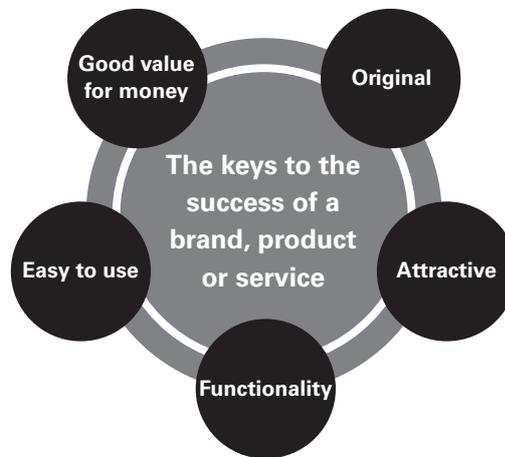
Our colleagues at Millward Brown Optimor carry out an annual survey to identify the 100 most valuable global brands; they have done so every year from 2005 onwards. In 2005 and 2006 the top brand was Microsoft. In 2007, 2008 and 2009 the top brand was Google. We will see below that there has been a change in the ranking: in 2010 Google moved into second place. I won't reveal who the new leader is, because I am trying to create a little intrigue and pique your curiosity.

Google is a brand that is about the same age as my daughter Patricia, who is now a teenager. In its relatively short life it has become the most powerful brand in the world. But why has Google been the leading brand for three years? Because it fulfils five key requirements or conditions:

- 1** It is original and unique: when it first started there was no other brand providing such a complete service.
- 2** It is attractive: when we need any type of information quickly, we think of clicking on this search engine. Google connects really well with consumers' needs. Brands always have to be very alert to, and very aware of the desires, values, lifestyles, trends, etc of their consumers. Coca-Cola, Nivea and Danone all do this. This is why, despite being brands with a long history, they are still in very good shape. When a brand slips from the consumer's mind, it starts to age; the wrinkles start to appear. Coca-Cola is very close to the tastes of new generations. Nivea started as a blue box containing cream, and now it has a very modern, and very full, line of products, capable of satisfying quite diverse audiences. The same is true of Danone, which began as a simple yoghurt in a glass jar, and now it has a range of dairy-based products that help maintain consumers' health (Activia, Actimel, Danacol, Densia, etc).
- 3** Google is, paradoxically, very complicated (it holds everything) and very simple (always to hand) at the same time: it is really easy to use and anyone can access Google to search for the information they need. There are products and services on the market that only people with advanced technical knowledge can use; this is not the case with Google because it works in a way that is very similar to the human mind. It is a brand that 'performs' very empathetically.
- 4** It is practical: the service this brand offers is very useful. It has a multitude of functions. It is a brand that constantly helps you.
- 5** And, finally the price is reasonable: it is good value for money. The equilibrium between what you get from the brand and what you pay for it is balanced. You have to make a very clear distinction between cost and value. The cost of a product or service is what you have to pay for it, its price. But its value is something much more important, because it refers to what the consumer is prepared to pay for that article. The value of a product is linked to what it means to the consumer.

Figure 14.1 shows the five requirements a brand has to fulfil to be successful.

FIGURE 14.1



Whenever we are about to launch a new brand, a new product or service onto the market, we always test it ...we have to take account of the response to these five characteristics. This template is a good indicator of the level of success it will have on the market. If it really fulfils each and every one of the requirements, we can think in terms of good business. But if it does not, it would be advisable to think again and start improving on the idea.

Brand leaders

The new global brand leader in 2010

As I said previously, Millward Brown Optimor have carried out a study into the 100 most powerful global brands for a number of years; the research covering 2010 was published in May 2011. It is the only ranking that combines quantitative market research with the financial results for the brands, showing the brands' value in US dollars. Over 2 million interviews were carried out in 30 countries, in 13 sectors:

Clothing	Beer
Automobiles	Fast food
Financial entities	Insurance
Luxury goods	Petrol and gas
Personal care	Distribution
Soft drinks	Technology
Telecommunications companies	

Finally, the time has come to reveal the secret: in 2010 Apple became the world's most valuable brand, beating Google. Apple responds very closely to the keys for a successful brand:

- Originality.
- Attractiveness: fascinating.
- Functionality.
- Ease of use: it is a brand that empathizes strongly with the consumer. Its technology and functions adapt very well to the needs of the human mind.
- Reasonable price. Here we mean value for money; we recognize that the price is not one of the main advantages of Apple.
- In return, it offers innovation and design, which helps to offset and compensate for the effect of the price.

It is clear that everyone employed at Apple has a strong commitment to the brand and it is the highest priority for all of them.

The 10 most powerful brands in the world in 2010

Table 14.1 lists the world's 10 leading brands.

TABLE 14.1 Top 10 global brands

Rank	Brand	Brand value (\$m)
1	Apple	153,285
2	Google	111,498
3	IBM	100,849
4	McDonald's	81,016
5	Microsoft	78,243
6	Coca-Cola	73,752
7	AT&T	69,916
8	Marlboro	67,522
9	China Mobile	57,326
10	General Electric (GE)	50,318

Seven of the 10 leading brands are in the technology and telecommunications sector: Apple, Google, IBM, Microsoft, AT&T, China Mobile and General Electric (GE). Technology has become the new science, magic, art and religion. For some consumers it is like an addiction. Technology generates strong emotions in people: surprise, fascination, confidence in oneself, omnipotence ... even anger when things don't work properly.

Technology is the natural means of communication for the new generation. My son David is about to turn 18. He is a completely different person in face-to-face relationships compared to relationships he has through his BlackBerry. While in direct relationships things are not easy (he is at a difficult age), through BlackBerry messages he shows himself to be a much nicer person (he sends me messages, he tells me things, we have fun, very often he writes 'ha, ha, ha', he uses smiley faces ...). It is as if I have twin sons: the real relationship David, and the virtual relationship David.

I mentioned this during a talk I was giving at a conference about technology recently. In the coffee break, one of the attendees came up to me and told me that the same happened to him with his three sons. He played on the PlayStation and everything is fun, laughter and togetherness. Immediately afterwards they sit down to dinner and communication shuts down.

My daughter Patricia has just turned 15. I was really surprised that on her birthday the present she was most delighted with was a BlackBerry (well, and some shoes with very high heels). In a very short time this brand has expanded its appeal to an audience made up of young people and teenagers. Javito, the son of a friend of mine, who is only 12, already has a BlackBerry.

When group discussions (qualitative research) involving teenagers are organized, they become difficult to moderate because the participants find the surroundings too artificial and they have difficulty in using their communications systems. However, these same people will actively participate in the group dynamic if this is done virtually (online).

We must always look for the research method that is the most natural and least invasive for each target audience. This is the best way to obtain better quality information.

The 10 brands with most growth during 2010

The ten brands that experienced the most growth in 2010 are shown in Table 14.2.

Facebook topped the list. With a 246 per cent rise in brand value, Facebook entered the BrandZ Top 100 for the first time at number 35. The Top 20 Risers included online retailer Amazon and four other technology brands – Apple and Baidu along with Siemens and Cannon, which benefited from a resurgence in B2B demand. Visionary, entrepreneurial leadership also contributed to growth in value, especially for Facebook, Apple, Amazon and Starbucks.

TABLE 14.2 10 top risers in 2010

Rank	Brand	Growth
1	Facebook	246%
2	Baidu	141%
3	Wells Fargo	97%
4	Burberry	86%
5	Apple	84%
6	Skol	68%
7	Pizza Hut	58%
8	GEICO	53%
9	Standard Chartered Bank	45%
10	Hermès	41%

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With almost 600 million members worldwide, Facebook was anointed ‘The Social Network’ by the film of the same name about the firm’s founding in 2004 by Mark Zuckerberg. Ironically, the film’s release coincided with Facebook’s rapid evolution into a powerful commercial platform exploring ways to monetize its social reach by connecting shoppers, retailers and brand marketers.

Apple rose to the number 1 position in the BrandZ Top 100 most valuable global brands. It earned an 84 per cent increase in brand value with successful iterations of existing products like the iPhone, creation of the tablet category with iPad, and anticipation of a broadened strategy making the brand a trifecta of cloud computing, software, and innovative, well-designed devices.

The Chinese search engine Baidu ranked 29 in the BrandZ Top 100, up from 75 in 2009 on a sharp 141 per cent rise in brand value. As more of China’s 1.3 billion citizens used the internet, they turned to Baidu because the brand has really understood the nuances of China’s diverse cultures and languages.

Illustrating how dramatically shopping has changed, Amazon surpassed Walmart as the most valuable retail brand. The company has continued to

add categories each year, even food, to drive traffic. Since founding the company in 1995, Jeff Bezos has worked to perfect its unparalleled selection, peer reviews and a delivery scheme that builds loyalty.

Starbucks' 40 per cent rise in brand value demonstrated the success of the brand revitalization initiatives implemented recently by Howard Schultz when he returned as CEO. He closed underperforming sites and improved the coffeehouse experience while extending the brand into instant coffee and preparing it for aggressive international and multi-channel growth in grocery as well as fast food.

The housing recovery drove IKEA's 28 per cent growth. The sector's strength also helped brands in fast food, insurance and luxury goods. While the brand value of the luxury sector still lagged its pre-recession level, customers came back, as evinced by Burberry's 86 per cent increase and the brand appreciation of Cartier, Estée Lauder and Hermès.

The market dynamism that boosted China's Baidu also pushed up the brand values of Skol, Brazil's largest beer brand, by 68 per cent, and Petrobras, the country's oil and gas giant, which improved 39 per cent. The 58 per cent rise in the brand value of Pizza Hut was in part driven by its performance in China. Standard Chartered Bank of the UK, up 45 per cent, also benefited from global business.

All sectors grew in brand value in 2010

Each of the 12 product sectors measured in the BrandZ Top 100 ranking appreciated in overall brand value in 2010. Table 14.3 shows the growth achieved for each of these sectors during 2010.

The performance dramatically differed from results a year earlier, when just four sectors improved only moderately in brand value. It signalled a shift in the global economy from recovery to growth. It also demonstrated the resilience of brands. Brand value in many sectors not only appreciated year-on-year, but also exceeded pre-recession levels. Fast food, which climbed a substantial 22 per cent in 2010 alone, was up 42 per cent when compared with 2008.

Technology improved too: 18 per cent year-on-year compared with 32 per cent over the three-year period. The story was similar for beer, which grew 7 per cent in 2010 but 32 per cent since the recession. Soft drinks grew 5 per cent in 2010 and 26 per cent since 2008.

Categories hardest hit during the recession posted gains in brand value in 2010, but the values remain below pre-recession levels. Luxury returned robustly but, with 19 per cent increase in brand value, the category remained 13 per cent lower than its 2008 level.

The car sector grew by 7 per cent in 2010 on the rebound of the resilient Toyota brand, strong performances by Ford, GM and other major car makers, and the appetite for 'status' cars in China and other fast-growing markets. Brand value for the car sector as a whole, however, remained 27 per cent below its 2008 level.

TABLE 14.3 All sectors grew in brand value in 2010

Rank	Sector	Growth (2010 versus 2009)
1	Insurance	137%
2	Fast-food	22%
3	Luxury	19%
4	Technology	18%
5	Apparel	10%
6	Financial institutions	9%
7	Beer	7%
8	Cars	7%
9	Soft drinks	5%
10	Personal care	3%
11	Retail	2%
12	Oil & gas	1%

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While apparel, personal care, oil and gas, retail and financial institutions moved at slower rates, they all moved up. The dramatic year-on-year rise for the insurance sector was down to the inclusion of three large, fast-growing Chinese brands: China Life, Ping An and China Pacific.

Building brands

Brands and the cinema

Many technology-related brands (designed for face-to-face or virtual relationships) are constantly involved in research in order to conquer the hearts (emotions) and pockets of consumers. I'll give you some examples:

- Apple (number 1).
- Google (number 2).
- BlackBerry (number 25).
- Facebook (number 35).

These are just a few of the many brands immersed in the technology battle to conquer the minds of consumers in the real or digital worlds, or even both.

It is interesting to see how the brands Apple and Google communicate. They appear in many cinema films. Virtually every time an actor picks up a computer, we can see the bitten apple on its very modern exterior design. And when you see the inside, the screen, then it is Google's turn. This is how the two most powerful brands on the planet convey their leadership.

The film 'Buried' shows a young man who wakes up buried in a wooden coffin, who uses his BlackBerry to get help. It is a film specially designed for this brand. (I won't tell you the ending just in case you haven't seen the film but want to.) In the case of Facebook the communication is even more brazen. The film 'The Social Network' recreates all the conflicts and successes of the birth, development and success of this brand.

The world's most valuable brands try to use product placement to be seen (in a natural way) in new films. It is a way of keeping themselves alive in consumers' minds.

Recipes for building strong, healthy brands

I have taken the following conclusions from the Millward Brown Optimor survey on the 100 most valuable global brands. The strongest brands succeeded in the following ways:

- Connecting with consumers' minds:
 - Listening closely to them.
 - Talking to them.
 - Anticipating change.
 - Understanding change.
 - Acting as quickly as possible (faster than their competitors), offering functions, etc that are relevant to consumers (it is about achieving a significant impact).
- Looking after the product to the greatest extent possible:
 - Innovating (easy to say, difficult to achieve).
 - Committing themselves to originality (if it is different it captures the mind's attention).
 - Creating a good brand experience (having satisfied customers).
 - Fulfilling the brand's promise (the feeling of trust and credibility).
 - Offering value at an affordable price (the right price).



- Communicating well:
 - Being clear and having an impact (because this makes messages easier to understand and to remember).
 - Openness and transparency (because this generates credibility).
 - Conveying confidence.
 - Being honest.
 - Measuring communication activities in the real and the digital world (social media).
- And, finally, protecting the brand:
 - Differentiated personality.
 - Being consistent with the brand's essence and strategy, but at the same time having a clear margin for manoeuvre (flexibility).
 - Breaking the rules in the present to create a future.
 - Corporate social responsibility (CSR): a sincere commitment, relevant to the consumer and coherent with the essence of the brand.