

HOW TO BRIDGE
THE DISTANCE
BETWEEN
BUSINESS STRATEGY
AND DESIGN



#### A VISUAL PRESENTATION BY MARTY NEUMEIER

# Produced by NEUTRON LLC in partnership with NEW RIDERS PUBLISHING and THE AMERICAN INSTITUTE OF GRAPHIC ARTS

#### WHAT YOU'LL LEARN:

- A modern definition of brand
- 2 The five disciplines of brand-building

#### READY?



## FIRST

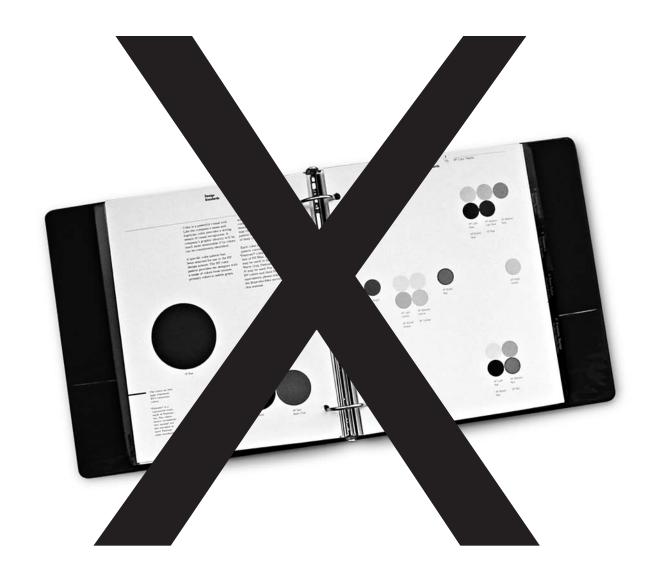
A brand is not a logo.



Ceci n'est pas une brand.

## SECOND

A brand is not an identity.



## FINALLY

A brand is not a product.



## so what exactly

is a brand?



A BRAND IS A PERSON'S GUT FEELING ABOUT A PRODUCT, SERVICE, OR ORGANIZATION. It's a **GUT FEELING** because people are emotional, intuitive beings.

It's a **PERSON'S** gut feeling, because brands are defined by individuals, not companies, markets, or the public In other words...

### IT'S NOT WHAT YOU SAY IT IS.

## IT'S WHAT THEY SAY IT IS.

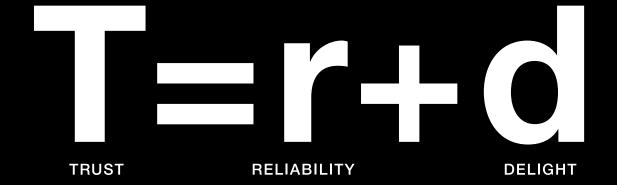
#### WHY IS BRANDING SO HOT?

- People have too many choices and too little time
- Most offerings have similar quality and features
- **3** We tend to base our buying choices on trust



#### **TRUST**

Trust comes from meeting and beating customer expectations.





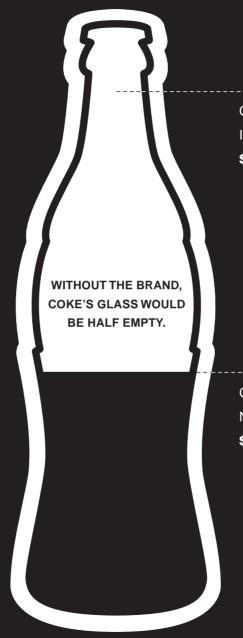
# AND HOW.

#### 5 ways to measure brand value:

- 1 PRICE PREMIUM
- 2 CUSTOMER PREFERENCE
- **3** REPLACEMENT COST
- **4** STOCK PRICE
- **6** FUTURE EARNINGS

### THIS SELECTION FROM INTERBRAND'S TOP 100 LIST SHOWS WHY BRANDS ARE WORTH PROTECTING:

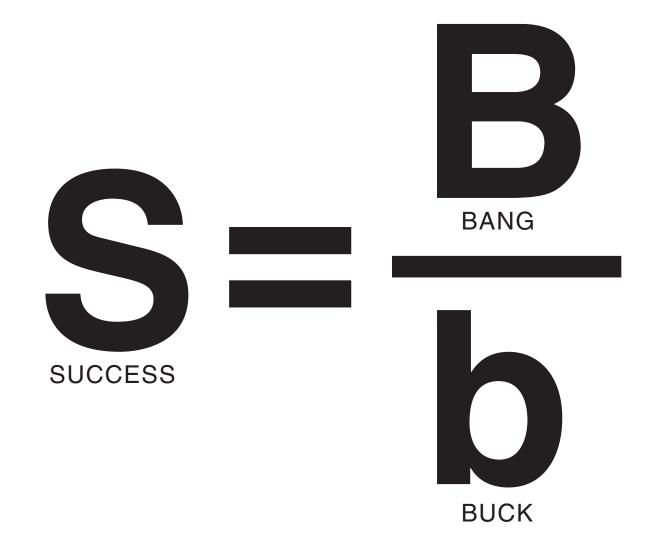
		2001	% CHANGE	BRAND VALUE
	BRAND	BRAND VALUE	BRAND VS.	AS % OF
_	NAME	(\$MM)	PREVIOUS YEAR	MARKET CAP
	COCA-COLA	68,945	-5%	61%
	MICROSOFT	65,068	-7%	17%
	IBM	52,752	-1%	27%
	FORD	30,092	-17%	66%
	MERCEDES	21,728	+3%	48%
	HONDA	14,638	-4%	33%
	BMW	13,858	+7%	62%
	KODAK	10,801	-9%	82%
	GAP	8,746	-6%	35%
	NIKE	7,589	-5%	66%
	PEPSI	6,214	-6%	9%
	XEROX	6,019	-38%	93%
	APPLE	5,464	-17%	66%
	STARBUCKS	1,757	+32%	21%

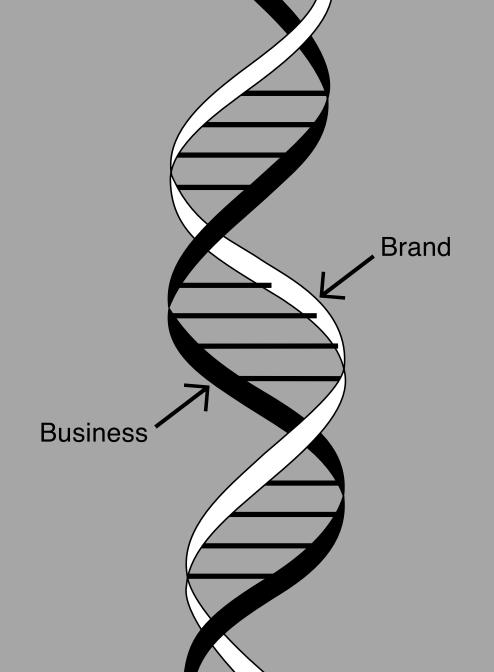


COKE'S MARKET CAP,
INCLUDING BRAND VALUE:
\$120 BILLION

COKE'S MARKET CAP,
NOT INCLUDING BRAND VALUE:
\$50 BILLION

The main purpose of branding is to get more people to buy more stuff for more years at a higher price.





## PREDICTION

**BRAND** WILL BECOME THE MOST POWERFUL STRATEGIC TOOL SINCE THE SPREADSHEET.

## PROBLEM

In most companies, **STRATEGY** 

is separated from **creativity** by a wide gap.

STRATEGIC THINKERS Analytical Logical Linear Numerical Verbal

**CREATIVE THINKERS** 

Intuitive

**Emotional** 

Spatial

Visual

Physical



DOES THE LEFT BRAIN KNOW WHAT THE RIGHT BRAIN IS DOING?



When both sides work together, you can build a charismatic brand.

A **charismatic brand** is any product, service, or organization for which people believe there's no substitute.

OXO GOODGRIPS

PEPSI-COLA

PRFII

RFFBOK

SAFEWAY

SAMSUNG

SEARS

VIRGIN

RUBBERMAID

SOUTHWEST AIRLINES

UNITED ARTISTS

RCA

- Which of these brands are charismatic?
- QUIZ:

**AMAZON** 

BURGER KING

COLDWATER CREEK

GENERAL ELECTRIC

**APPIF** 

DASANI

DISNEY

FORD

**GOOGLE** 

HANES

DK BOOKS

EVEREADY

HITACHI

IKFA

KMART

I FVI'S

MACY'S

NISSAN

HOME DEPOT

KRISPY KREME

LONGS DRUGS

MINI COOPER

NEWSWEEK

NORDSTROM

OXO GOODGRIPS

RUBBERMAID

SAMSUNG

VIRGIN

### QUIZ:

**APPIF** 

DASANI

DISNEY

DK BOOKS

**GOOGLE** 

HANES

GENERAL ELECTRIC

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Which of these brands are charismatic?

	<b>—</b>	 	 

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I FVI'S MACY'S

KMART

LONGS DRUGS

MINI COOPER NEWSWEEK

KRISPY KREME

NISSAN

NORDSTROM

SOUTHWEST AIRLINES UNITED ARTISTS

Any brand can be charismatic.

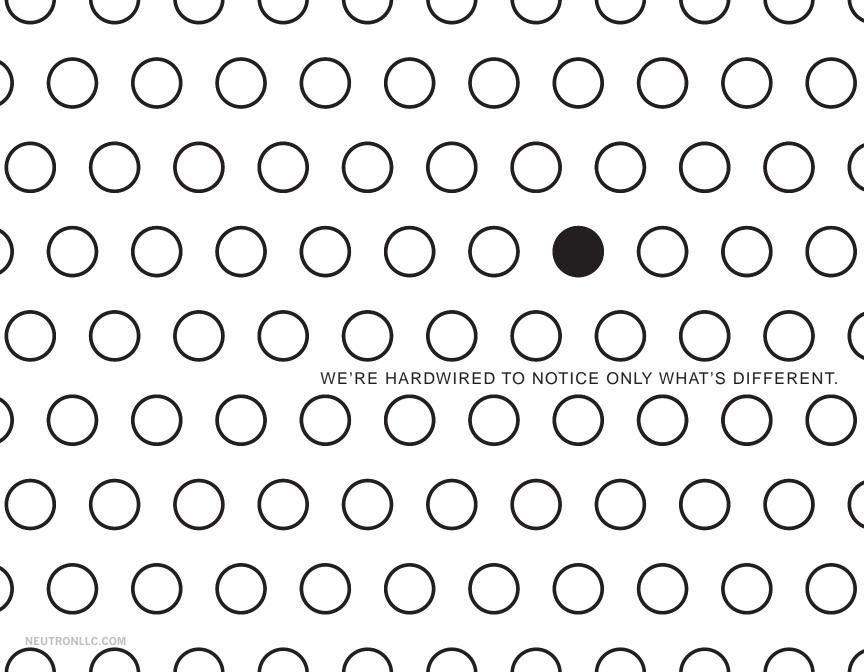
# EWERS. YOURS.

But first,		
you have to master the	e five disciplines of	BRAND-BUILDING.
NEUTRONLLC.COM		

### DISCIPLINE 1: DIFFERENTIATE

### FACT:

Our brains act as filters to protect us from too much information.



**SOLUTION:** 

### BE DIFFERENT.



Marketing today is about creating tribes.

People join different tribes for different activities.

DRIVING → VOLKSWAGEN

### READING → AMAZON

COMPUTING → DELL

SPORTS → NIKE

COOKING → WILLIAMS-SONOMA

BANKING → CITIBANK

TRAVEL → ORBITZ

### ON SUNDAYS THEY WORSHIP HARLEY, GOD OF THE OPEN ROAD.



The three most important words in differentiating your brand:

### • FOCUS

### e FOCUS

### ® FOCUS



#### THE FOCUS TEST:

Who are you?

What do you do?

Why does it matter?

Unless you have compelling answers to these questions, you need more focus.

The most common reason for loss of focus is **ILL-CONSIDERED BRAND EXTENSIONS**.

**EXAMPLE:** 

FOCUSED → PORSCHE = SPORTS CARS

UNFOCUSED → PORSCHE = SPORTS CARS + SUVS

**BAD BRAND EXTENSIONS** are those that chase short-term profits at the expense of long-term brand value.

grow the value of a brand by reinforcing its focus

EXAMPLE: NEUTRONLLC.COM



THE GOOD GRIPS BRAND HAS GROWN STRONGER WITH EVERY BRAND EXTENSION.

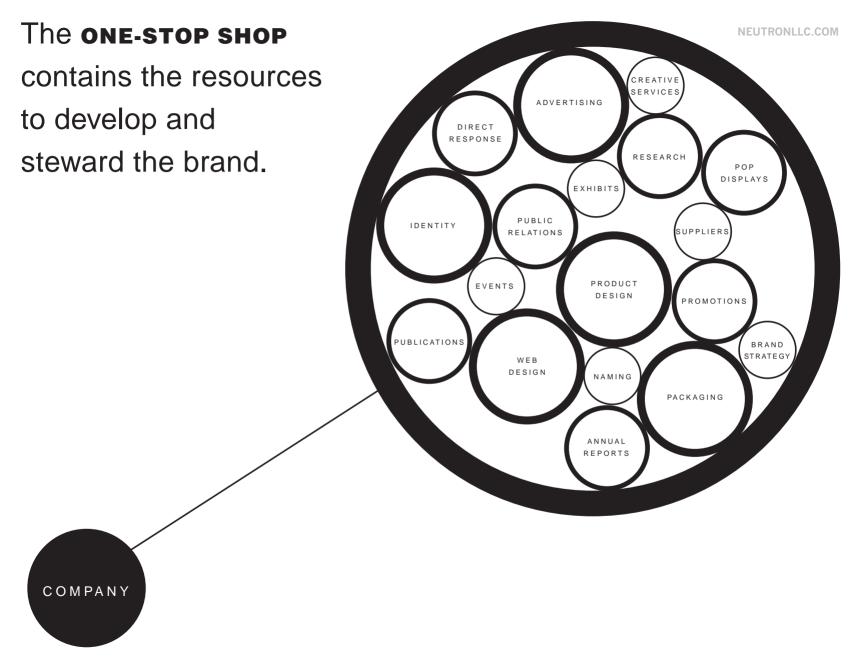
### DISCIPLINE 2: COLLABORATE

LIKE BUILDING A CATHEDRAL, BUILDING A BRAND IS A COLLABORATIVE PROJECT.



## It takes a village to build a brand.

### THERE ARE THREE BASIC MODELS FOR ORGANIZING BRAND COLLABORATION:



#### **ONE-STOP SHOP SCORECARD**



Easy to manage

Promise of consistency



Little choice of teams

Little ownership of brand

The **BRAND AGENCY** NEUTRONLLC.COM POP DISPLAYS hires best-of-breed CREATIVE SERVICES firms to help develop IDENTITY RESEARCH DIRECT RESPONSE and steward the brand. ADVERTISING ANNUAL REPORTS SUPPLIERS EVENTS BRAND AGENCY PROMOTIONS NAMING BRAND STRATEGY PACKAGING PRODUCT WEB DESIGN DESIGN PUBLIC RELATIONS EXHIBITS COMPANY

#### **BRAND AGENCY SCORECARD**





Choice of teams

Promise of consistency

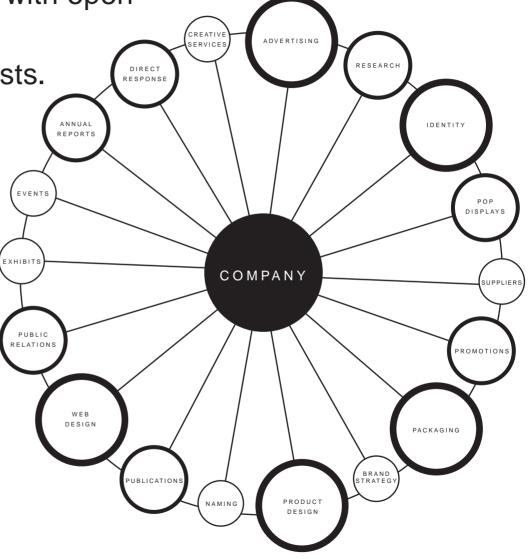
Little ownership of brand

The integrated marketing team

is managed internally with open

collaboration among

best-of-breed specialists.



#### **INTEGRATED MARKETING TEAM SCORECARD**



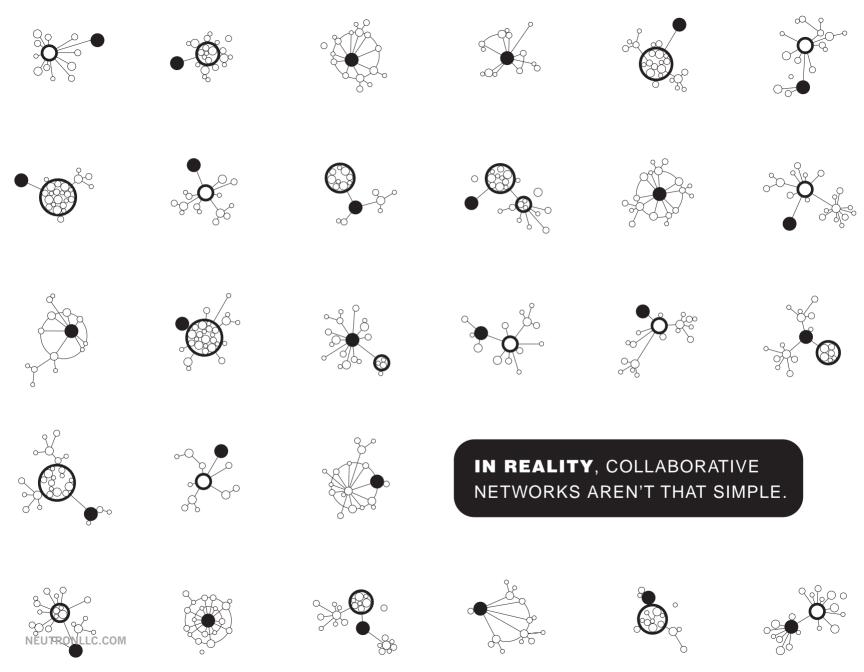


Choice of teams

Difficult to manage

Promise of consistency

Ownership of brand



# and that's OK.

Collaborative networks are not new.

A successful model has existed for years.



Like building a cathedral, making a movie takes hundreds of collaborators.

Smoocher Boy KELLY MARIN Agent Sims TREVOR CARMICHAEL Agent Townsend JOHN T. LANDON Agent Kruzic SHARON BONDLY Dijon PAUL DERAIN Jean-Michel JACQUES SOUVERAIN Keynes MICHAEL BRAND Corelli STEVEN GOLDSTEIN Johnston TRENT LOCKART Billie JACKSON BARNES Guards JOSEPH AKIO TERENCE BRADLEY MO DERENI ROBERT UNDERHILL KEN SILVER Librarian HILARY PROPRIATO Field Officer MICHAEL O. KELL Bus Driver HECTOR ABONDAS Night Guard NORMAN BRIER Meter Maid STACY BRECKSTEIN First Detective JOE KALEY Second Detective BRIAN BELSEN Beat Cop ABRAHAM LENDER Parking Cop T. T. MCBRIDE Helicopter Pilot VAN DERICKE First Old Man JOHN R. CARLSON Second Old Man VICTOR AMOS Tax Collector SEAN O' KENNA Stunt Coordinator JEFFREY ROCKEN Assistant Stunt Coordinator DARREL TOM Stunt Doubles Carlos GEOFF WRIGHT MARK CONTADINA Mariana SUE SKENNIAN Ajax CHARLIE MARQUETTE Sgt. Santos VICTOR BANERAS Carter F. C. CAMERON Smoocher Boy TELLIE PANOPOULIS Agent Sims MARTIN AIRES Agent Townsend STEFAN C. KAISER Dijon BILL MOORE Stunts BENJAMIN BARKELEY

STEVE ADRIAN TONY BEAUJOLAIS **BOB CARTER** GORDON COLERIDGE IVAN DEVERSON JILLIAN DRUCKER MICKEY DISANTIS JOE EVANS MIKE FLANAGAN BILL GEORGE JULIA HARRISON GEOFF IPSWICH MICHAEL KANTER KENNETH KITTRIDGE BARRIE LAWRENCE TERRY LEVINSON TED MARSTEN JACKIE MACDOUGAL GREG NEVILSON BOB OSBORNE JAMES PETRICKE PETE POLSON RAY TELSON MARY STAUFFACHER FREDDIE STEEN CAB UPTON CORNELIA THERRIEN JEREMY TRICKETT PETER YOUNG RAUL VALERIA RONALD DEAVER-WEBB ROBERT G. RUNYAN

Manners and Modes Supervisor FRANCIE MAS Storyboard Artists CAREN THOMASON MIGUEL TRASERO FRANCES CHU PEDRO BOGANILLO Art Department Researcher NUALA CORIAN Art Department Coordinator TRACY COLLISTON Conceptual Designer SERGIO MOLO Graphics BENJAMIN HIRASUNA Illustrator STEPHANIE RAND Set Designers GERI DEMONDE STELLAN GRETZKE MADELINE BARR LANCE DUNSTABLE MARCO DIPAOLO DEN MCENERY Set Decorators LISA BARHAM DRU LEE MANNING CARRIE DUNE Script Supervisor MARIE BELLEAU Camera Operator PAUL POLITO Steadycam Operator ROCK HANDLER 1st Assistant Camera GORDON ALBRIGHT 2nd Assistant Camera CRIS MORTEN Still Photographer BARRIE M. HORST Sound Recordist JACOB TREIB Boom Operators HORACE STEIN THOM CARRABINE Video Operator ART KELLEHER LUCIANO PROPRIO Props DAVID BELL Property Master ZUZU MANHEIM KAREN CAROLUS J. D. WHEATLY Action Vehicle Coordinators WILLIAM TREVANT Gaffer STU JEFFERSON Best Boy JOSH KNIPPLE Rigged Gaffers COLIN FARRINGDON PETER STANISLOV KIT GOINES BENNIE JAMESON RICK DEMIS STANLEY FREY G. G. NEWMAN Key Grip DAVID WEINBERG Head Grip RICKY MONROE Dolly Grips WILLI STRASBURG STAN BENTON CHARLES CRIVORN NORM LOFGREN VIC DOLAN GIORGIO VIVATO Rigging Grip TEL STEPHENOPOLIS Make-up Artists TRINI GONZALEZ MARCI STEIN BELINDA MCNAIR CARI DUNN NEUTRONLLC.COM MICHELLE TONAS ROBERTO BELLINI TRICIA RARIO

DONALD VERES Digital Compositors DAVID HUSSEIN BRIDGET QUESTED Background Artists FRANCESCA ROTI **GREG STONE** CGI Lead Animators WILL SUTTON INGE JOHANSSON CGI Animators DREW CRAIN URSULA BIERSCH VISUAL LOGIC, LLC VFX Supervisor JARED BAGMAN Programmer KAROL CONST System Admin RANDY HARDWICK Production Admin MAL GERICKE Production Aide CASS MONAHAN Producer PATRICE ARNEM Scene Graphics PEDRO CARILLO CGI Artist Coord SANDY PRIESTLY CGI Artists JOHN LANGORF BRENDA CALE CGI Designer MARK THOMAS KYLE M. SULLIVAN Compositors PATRICK MAHONEY STAV PROMIDES MARGRIET BILL TANIA SHAUB BENNET JURIAN I/O Supervisor CHUCK TRALIK Assorted Visual Effects PENNY GARCIA Color Toner GRAYSON TRUE Negative Cutter SLIM DELGADO Titles Designed by BATOUTAHELL, INC Opticals by PACIFIC DREAMS, LLC Soundtrack Album on ARTISTIC RECORDS, INC. Microscopic Cinematography by JAY FLAMMER The Producers Wish to Thank the Following NASA CITY OF NEW YORK THE MARITIME CENTER OF SYDNEY LOS ANGELES POLICE THE CITY OF BEND, OREGON SULTAN OF BRUNEI Filmed on Location in CAPE KENNEDY NEW YORK CITY SYDNEY, AUSTRALIA LOS ANGELES, CALIFORNIA BEND, OREGON Filmed with OMNIVISON Cameras and Lenses

Color by COLORLAB, INC.

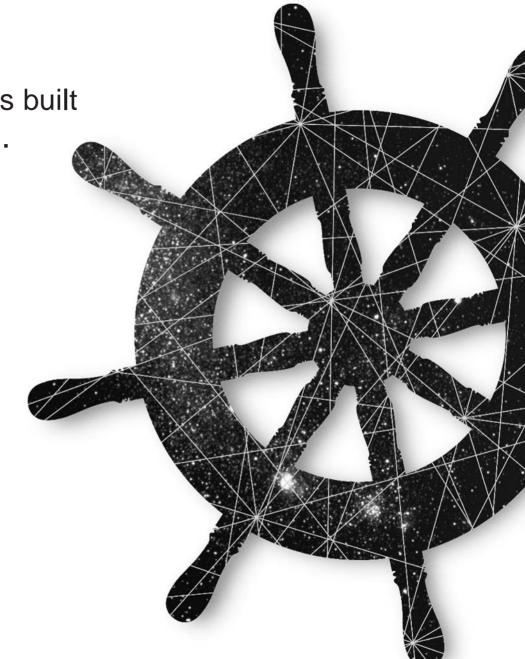
Dig Composite Supv TIM CURRIE

IN THE 1990s,

CREATIVE COLLABORATION SPREAD TO BRAND-BUILDING.

### **EXAMPLE**:

The Netscape brand was built on the Hollywood model.



## MYTH:

Wide experience leads to deep insights.

# FACT:

Deep insights come from deep experience.



WHY?

### Because

## the mathematics of collaboration

is nothing less than



## DISCIPLINE 3: INNOVATE

# Execution—

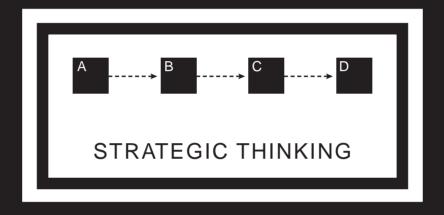
not strategy—is where the rubber meets the road.

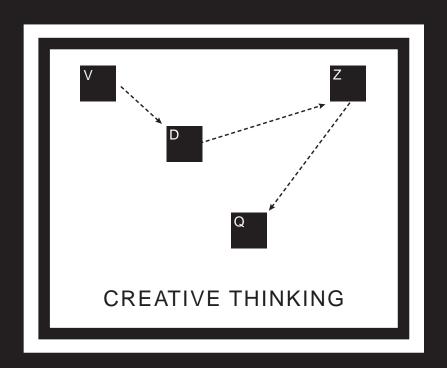


CREATIVITY IS WHAT GIVES BRANDS THEIR TRACTION IN THE MARKETPLACE.

Why do companies have so much trouble with creativity?

Because creativity is right-brained, and strategy is left-brained.





# when the competition zigged, -------you zagged.

THE REASON THE BEATLES WERE WILDLY SUCCESSFUL IS BECAUSE "THEY NEVER DID THE SAME THING ONCE."



QUESTION:

How do you know when an idea is innovative?

ANSWER:

WHEN IT SCARES THE **HELL** OUT OF EVERYBODY.



TOO PREDICTABLE = NO SURPRISE

NO SURPRISE = NOTHING NEW

NOTHING NEW = NO VALUE

# To begin with, the brand needs a **Stand-Out** name.

The seven criteria of a stand-out name:

1 DISTINCTIVENESS

2 BREVITY

APPROPRIATENESS

4 EASY SPELLING AND PRONUNCIATION

**6** LIKABILITY

**6** EXTENDABILITY

7 PROTECTABILITY



LOGOS ARE DEAD. LONG LIVE ICONS AND AVATARS!

# NEUTRONLLC.COM

An **ICON** is a name and visual symbol that suggests a market position.

### **EXAMPLE**:

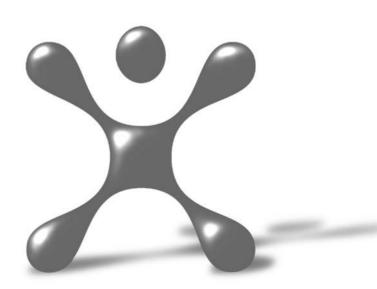


CBS. The network for "eye-popping" television.

An **AVATAR** is a brand icon that can move, change, and operate freely in various media.

**EXAMPLE:** 

**CINGULAR**: The "self-expression" cellular service.



For products that sell at retail,

# the package

is often the best and last chance to make a sale.

The hardest-working packages follow a natural reading sequence.

#### THE SHOPPER:

- Notices the package
- 2 Asks "What is it?"
- Wonders "Why should I care?"
- Wants to be persuaded
- 6 Needs proof

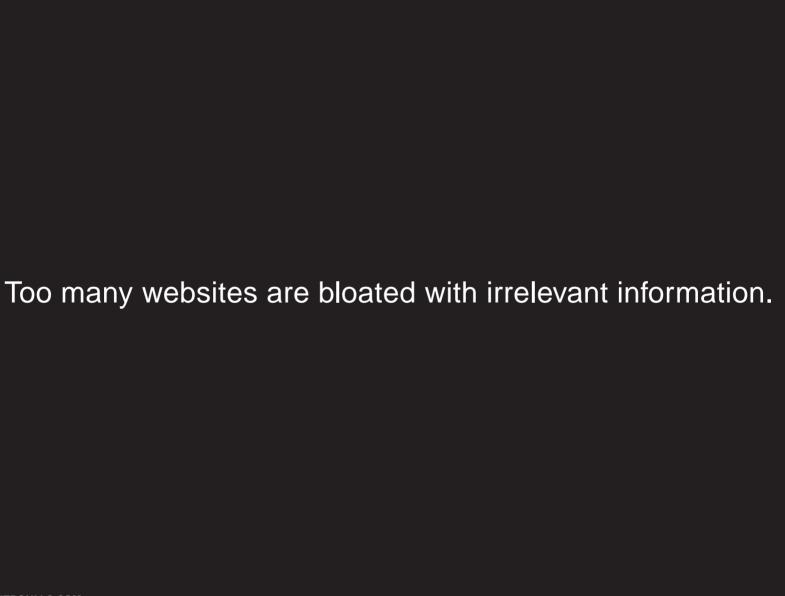
By presenting information to match this sequence, a package can sell the product more effectively.



If you communicate with your customers **ONLINE**, your website needs to follow a **SIMILAR** reading sequence, one that supplies users with only the information they need, instead of trying to squeeze **EVERYTHING** onto the home page LIKE THIS and making your users do ALL the work, which will undoubtedly cause them to LEAVE, when all you really have to do is ask yourself this **SIMPLE QUESTION:** 

### Does our website look





### WHY?

**1** TURFISMO

(Every department wants to be on the home page)

### **2** FEATURITIS

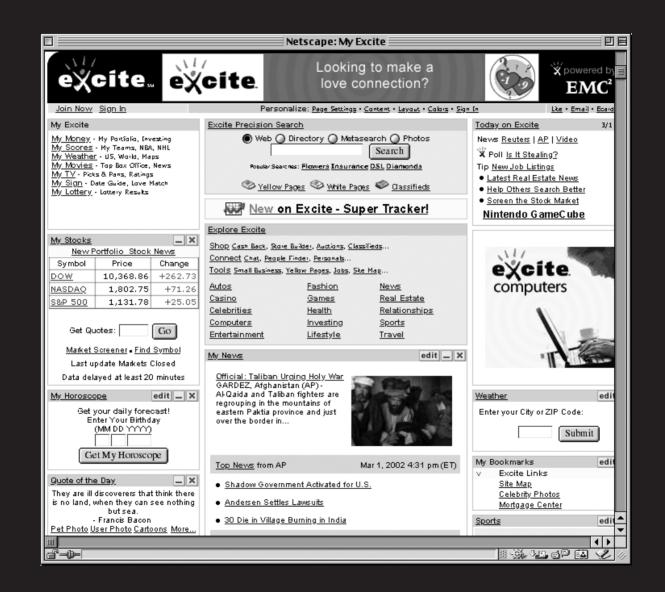
(Inexperienced communicators believe more is better)

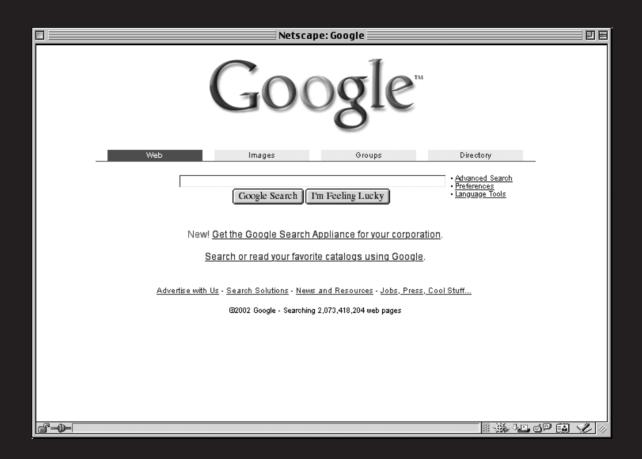
### **3** TECHNOPHOBIA

(Experienced communicators resist new media)

# QUIZ:

Which of these sites looks easier to use?



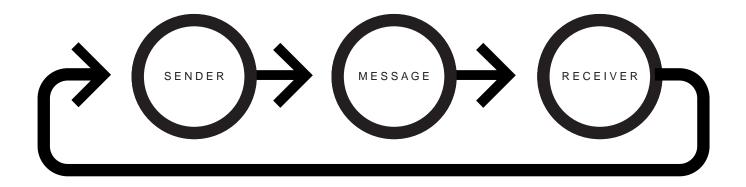


# DISCIPLINE 4: VALIDATE

**VALIDATION** means bringing the audience into the creative process.



THE OLD COMMUNICATION MODEL WAS A MONOLOGUE.



THE NEW COMMUNICATION MODEL IS A DIALOGUE.

**QUESTION:** 

How can you test your most creative ideas **BEFORE** they get to market?

# Not with large quantitative studies or focus groups.

#### QUANTITATIVE STUDIES BURY THE PROBLEM IN HEAPS OF UNHELPFUL DATA.





### THE BEST TESTS ARE

# CHEAP.

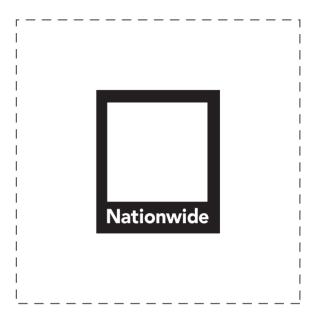
Better a rough answer to the right question than a detailed answer to the wrong question.

### **CHEAP-QUICK-DIRTY TEST 1:**

The **swap test** is a proof for trademarks.

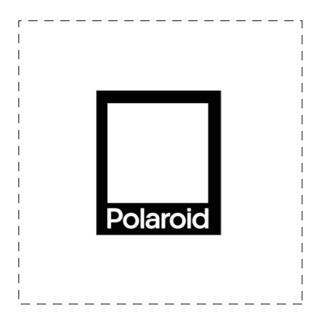
If the names and graphics of two trademarks are better when swapped, then neither is optimal.





### **EXISTING TRADEMARKS**





WITH NAMES SWAPPED

### CHEAP-QUICK-DIRTY TEST 2:

The **HAND TEST** is a proof for a distinctive voice.

If you can't tell who's talking when the trademark is covered, then the brand's voice is not distinctive.

### You have 206 bones in your body. Surely, one of them is creative.

It doesn't take a lot of effort to enjoy digital music and movies—just the new iMac and a little creativity.

With Apple's award-winning iTunes software you can be your own DJ. iTunes makes it simple to "rip" your CDs and put your entire music collection right on your iMac. Just drag and drop to make playlists of your favorite songs. Listen to them on your iMac, or push one button to burn your own custom CDs that you can play in your car or portable CD player.

Or, for the ultimate in portability, get yourself an iPod. Just plug it into your iMac, and iTunes automatically downloads all your songs and playlists into iPod at blazing FireWire speed (an entire CD in a few seconds). Then just choose a pocket and take your entire music collection with you wherever you go.

For making movies, Apple's award-winning iMovie's oftware lets you be the director. Plug your digital camcorder into iMac's FireWire port and transfer your video in pristine digital quality. Use iMovie's intuitive drag-and-drop interface to cut out the boring parts, add Hollywood-style effects—like cross-dissolves and scrolling titles—and lay in a soundtrack from your favorite CD. Then share your movies with friends and family by making a custom DVD using our aptly named SuperDrive and remarkable iDVD software: You'll be amazed at how professional your movies and DVDs look and how easy it is to create them.

With the new iMac, an ounce of creativity goes a very long way.



iPod. The first MP3 player to pack a mindblowing 1,000 songs' and a 10-bour battery into a stunning 6.5-ounce package you can take with you wherever you go.



With iMovie and iDVD you can turn your movies into instant classics and create custom DVDs that play on almost any standard DVD player.



### CHEAP-QUICK-DIRTY TEST 3:

The **FIELD TEST** is a proof for any concept that can be prototyped.

If your audience can't verbalize your concept, you've failed to communicate it.

SHOPPERS CHARACTERIZED
THE PACKAGE CONCEPT
ON THE MIDDLE-RIGHT SHELF
AS "A FASTER PENCIL."

BINGO.



### Field tests measure five things:

- 1 DISTINCTIVENESS
- 2 RELEVANCE
- **3** MEMORABILITY
- **4** EXTENDABILITY
- **6** DEPTH OF MEANING



TESTING MIGHT HAVE SAVED SOME OF THESE COMPANIES FROM THE GREAT SWOOSH EPIDEMIC.



#### HAS THE GLOBE BECOME THE NEW SWOOSH?



## DISCIPLINE 5: CULTIVATE

Business is a process, not an entity.

A living brand is a pattern of behavior, not a stylistic veneer.

Brands are like people.

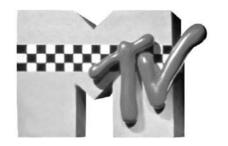






IF PEOPLE CAN CHANGE THEIR CLOTHES WITHOUT CHANGING THEIR CHARACTERS...







WHY CAN'T BRANDS?

#### **OLD PARADIGM:**

Control the

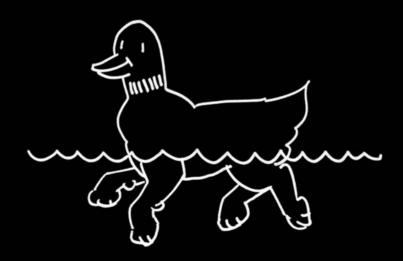
LOOK AND FEEL

of a brand.

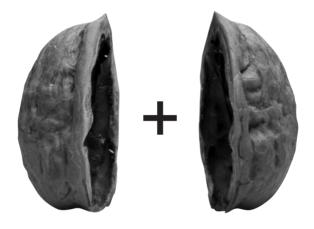
### **NEW PARADIGM:**

## Influence the **CHARACTER** of a brand.

### IF A BRAND LOOKS LIKE A DUCK AND SWIMS LIKE A DOG, PEOPLE WILL DISTRUST IT.



DIFFERENTIATED, COLLABORATED, INNOVATED, AND VALIDATED.



YOU'VE ADDED THE LEFT BRAIN TO THE RIGHT BRAIN.

# when the competition zigged, -------you zagged.



YOU'VE USED TESTING TO BANISH THE FEAR OF STUPID.



What's your next move?



## What's a compass?

A continuing brand education program.

**BRAND ORIENTATION** BRAND SEMINARS POSITIONING WORKSHOPS **BRAND AUDITS** STRATEGY SUMMITS CREATIVE COUNCILS QUARTERLY CRITIQUES GROUP BRAINSTORMING TEAMWORK TRAINING INNOVATION CLINICS DESIGN AUDITS **BRAND MANUALS** BRAND PUBLICATIONS DDVVIDDVVDCHVIVC

BRAND MANUALS

BRAND PUBLICATIONS

BRAND ROADSHOWS

TEAMWORK TOOLS



The more

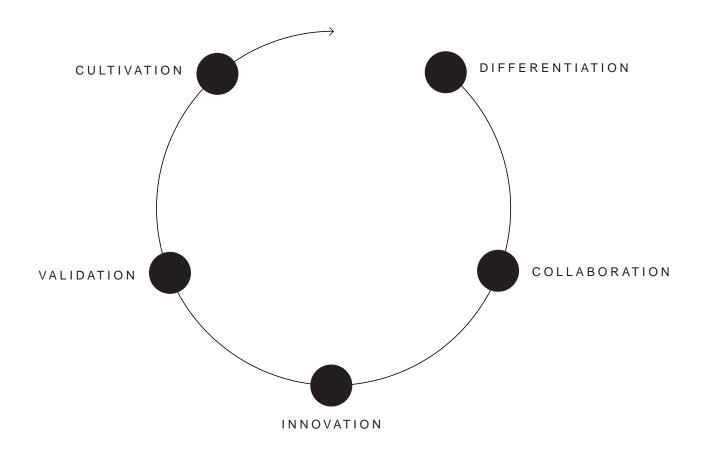
## DISTRIBUTED a brand becomes,

the stronger its management needs to be.

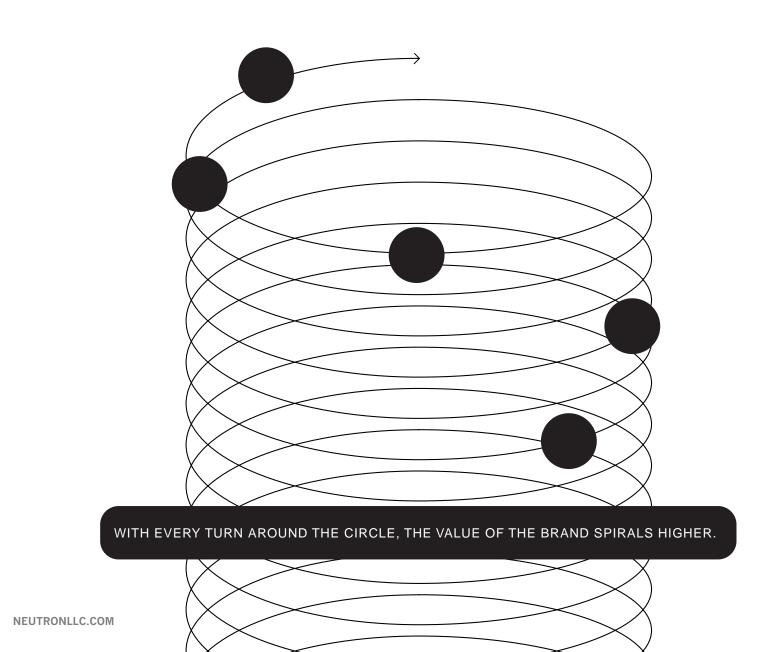
What your company needs is a CBO, or **CHIEF BRANDING OFFICER**.

THE CBO FORMS A HUMAN BRIDGE BETWEEN LOGIC AND MAGIC, STRATEGY AND DESIGN.





BY MASTERING THE FIVE DISCIPLINES OF BRANDING, THE COMPANY CREATES A **VIRTUOUS CIRCLE**.



### YOU BUILD

A sustainable competitive advantage.

### brand consultancy, Neutron LLC. Neutron supplies the "glue"

that holds brands together: brand education programs, seminars, workshops, creative audits, process planning, and more.

Visit www.neutronllc.com.

ABOUT THE AUTHOR

Marty Neumeier is president of a San Francisco-based

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