HOW TO BRIDGE THE DISTANCE BETWEEN BUSINESS STRATEGY AND DESIGN
A VISUAL PRESENTATION BY MARTY NEUMEIER
WHAT YOU’LL LEARN:

1. A modern definition of brand
2. The five disciplines of brand-building
LET’S START BY DISPELLING SOME MYTHS.
FIRST

A brand is not a logo.
Ceci n'est pas une brand.
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?

1. People have too many choices and too little time
2. Most offerings have similar quality and features
3. We tend to base our buying choices on trust
THERE ARE 1,349 CAMERAS ON THE MARKET. HOW DO YOU DECIDE WHICH ONE TO BUY?
TRUST
Trust comes from meeting and beating customer expectations.

\[ T = r + d \]

**TRUST**  **RELIABILITY**  **DELIGHT**
Does a brand have a dollar value?
AND HOW.
5 ways to measure brand value:

1. PRICE PREMIUM
2. CUSTOMER PREFERENCE
3. REPLACEMENT COST
4. STOCK PRICE
5. FUTURE EARNINGS
THIS SELECTION FROM INTERBRAND'S TOP 100 LIST SHOWS WHY BRANDS ARE WORTH PROTECTING:

<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>2001 BRAND VALUE ($MM)</th>
<th>% CHANGE BRAND VS. PREVIOUS YEAR</th>
<th>BRAND VALUE AS % OF MARKET CAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>COCA-COLA</td>
<td>68,945</td>
<td>-5%</td>
<td>61%</td>
</tr>
<tr>
<td>MICROSOFT</td>
<td>65,068</td>
<td>-7%</td>
<td>17%</td>
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<tr>
<td>IBM</td>
<td>52,752</td>
<td>-1%</td>
<td>27%</td>
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<tr>
<td>FORD</td>
<td>30,092</td>
<td>-17%</td>
<td>66%</td>
</tr>
<tr>
<td>MERCEDES</td>
<td>21,728</td>
<td>+3%</td>
<td>48%</td>
</tr>
<tr>
<td>HONDA</td>
<td>14,638</td>
<td>-4%</td>
<td>33%</td>
</tr>
<tr>
<td>BMW</td>
<td>13,858</td>
<td>+7%</td>
<td>62%</td>
</tr>
<tr>
<td>KODAK</td>
<td>10,801</td>
<td>-9%</td>
<td>82%</td>
</tr>
<tr>
<td>GAP</td>
<td>8,746</td>
<td>-6%</td>
<td>35%</td>
</tr>
<tr>
<td>NIKE</td>
<td>7,589</td>
<td>-5%</td>
<td>66%</td>
</tr>
<tr>
<td>PEPSI</td>
<td>6,214</td>
<td>-6%</td>
<td>9%</td>
</tr>
<tr>
<td>XEROX</td>
<td>6,019</td>
<td>-38%</td>
<td>93%</td>
</tr>
<tr>
<td>APPLE</td>
<td>5,464</td>
<td>-17%</td>
<td>66%</td>
</tr>
<tr>
<td>STARBUCKS</td>
<td>1,757</td>
<td>+32%</td>
<td>21%</td>
</tr>
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</table>
COKE’S MARKET CAP, INCLUDING BRAND VALUE: $120 BILLION

WITHOUT THE BRAND, COKE’S GLASS WOULD BE HALF EMPTY.

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.
S = B

SUCCESS = BANG

BUCK
PREDICTION

**BRAND** WILL BECOME THE MOST POWERFUL STRATEGIC TOOL SINCE THE SPREADSHEET.
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.
QUIZ:
Which of these brands are charismatic?

AMAZON
APPLE
BURGER KING
COLDWATER CREEK
DASANI
DISNEY
DK BOOKS
EVEREADY
FORD
GENERAL ELECTRIC
GOOGLE
HANES
HITACHI
HOME DEPOT
IKEA
KMART
KRISPY KREME
LEVI’S
LONGS DRUGS
MACY’S
MINI COOPER
NEWSWEEK
NISSAN
NORDSTROM
OXO GOODGRIPS
PEPSI-COLA
PRELL
RCA
REEBOK
RUBBERMAID
SAFEWAY
SAMSUNG
SEARS
SOUTHWEST AIRLINES
UNITED ARTISTS
VIRGIN
NEUTRONLLC.COM
<table>
<thead>
<tr>
<th>Brand</th>
<th>Brand</th>
<th>Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>Hitachi</td>
<td>OXO Good Grips</td>
</tr>
<tr>
<td>Apple</td>
<td>Home Depot</td>
<td>Pepsi-Cola</td>
</tr>
<tr>
<td>Burger King</td>
<td>IKEA</td>
<td>Prell</td>
</tr>
<tr>
<td>Coldwater Creek</td>
<td>Kmart</td>
<td>RCA</td>
</tr>
<tr>
<td>Dasani</td>
<td>Krispy Kreme</td>
<td>Reebok</td>
</tr>
<tr>
<td>Disney</td>
<td>Levi’s</td>
<td>Rubbermaid</td>
</tr>
<tr>
<td>DK Books</td>
<td>Longs Drugs</td>
<td>Safeway</td>
</tr>
<tr>
<td>Eveready</td>
<td>Macy’s</td>
<td>Samsung</td>
</tr>
<tr>
<td>Ford</td>
<td>Mini Cooper</td>
<td>Sears</td>
</tr>
<tr>
<td>General Electric</td>
<td>Newsweek</td>
<td>Southwest Airlines</td>
</tr>
<tr>
<td>Google</td>
<td>Nissan</td>
<td>United Artists</td>
</tr>
<tr>
<td>Hanes</td>
<td>Nordstrom</td>
<td>Virgin</td>
</tr>
</tbody>
</table>
Any brand can be charismatic.
EVEN YOURS.
But first,

you have to master the **FIVE DISCIPLINES OF BRAND-BUILDING**.
DISCIPLINE 1: DIFFERENTIATE
FACT:

Our brains act as filters to protect us from too much information.
WE’RE HARDWIRED TO NOTICE ONLY WHAT’S DIFFERENT.
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
FOCUS

2
FOCUS
IS THIS HOW YOUR CUSTOMERS SEE YOU?
THE FOCUS TEST:

1. Who are you? _______________________________________

2. What do you do? _____________________________________

3. 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 $\rightarrow$ PORSCHE = SPORTS CARS

UNFOCUSED $\rightarrow$ PORSCHE = SPORTS CARS + SUVS
**BAD BRAND EXTENSIONS** are those that chase short-term profits at the expense of long-term brand value.

**GOOD BRAND EXTENSIONS** grow the value of a brand by reinforcing its focus.
EXAMPLE:

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:
The **ONE-STOP SHOP** contains the resources to develop and steward the brand.
**ONE-STOP SHOP SCORECARD**

**+**
- Easy to manage
- Promise of consistency

**-**
- Little choice of teams
- Little ownership of brand
The BRAND AGENCY hires best-of-breed firms to help develop and steward the brand.
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
Promise of consistency
Ownership of brand

Difficult to manage
IN REALITY, COLLABORATIVE NETWORKS AREN’T THAT SIMPLE.
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.
Manners and Modes Supervisor
FRANCIE MAS
FRANCES CHU
CAREN THOMASON
MIGUEL TRASERO
FRANCES CHU
PEDRO BOGANILLO
NUALA LORIAN
SERGIO MOLO
BENJAMIN KERASUNA
STEPHANIE RAND
GERI DEMONDE
STELLA GRETZKE
MADELINE BARR
LANCE DUNSTABLE
MARCO DIPAPE
DEN MCEWEN
LISA BARHAM
DRU LEE MANNING
CARRIE DUNE
MARIE BELLEAU
PAUL POLITO
ROCK HANDLER
GORDON ALBRIGHT
CRIS MORTEN
BARRIE M. HORST
JACOB TREIB
HORACE STEIN
THOM CARRABINE
ART KELLEHER
LUCIANO PROPRIO
BENNIE JAMESON
RICK DEMIS
STANLEY FREY
G. G. NEWMAN
GIOVANNI VIVATO
TEL STEPHENOPOLIS
TRINI GONZALEZ
MARCI STEIN
BELINDA MCNAIR
CARI DUNN
MICHELLE TONAS
ROBERTO BELLINI
TRICIA RARDO
NEUTRONLLC.COM
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.
Prints by VISTACHROME

NEUTRONLLC.COM
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.
Deep insights come from deep experience.
1 + 1 = 11
Because

the mathematics of collaboration

is nothing less than

MAGIC.
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**.
STRATEGIC THINKING
when the competition zigged.

you zagged.
THE REASON THE BEATLES WERE WILDLY SUCCESSFUL IS BECAUSE “THEY NEVER DID THE SAME THING ONCE.”
How do you know when an idea is innovative?
ANSWER: WHEN IT SCARES THE HELL OUT OF EVERYBODY.
TOO PREDICTABLE $\equiv$ NO SURPRISE
NO SURPRISE $\equiv$ NOTHING NEW
NOTHING NEW $\equiv$ NO VALUE
To begin with, the brand needs a stand-out name.
The seven criteria of a stand-out name:

1. DISTINCTIVENESS
2. BREVITY
3. APPROPRIATENESS
4. EASY SPELLING AND PRONUNCIATION
5. LIKABILITY
6. EXTENDABILITY
7. PROTECTABILITY
A GREAT NAME deserves GREAT GRAPHICS.
LOGOS ARE DEAD. LONG LIVE ICONS AND AVATARS!
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:

① Notices the package

② Asks “What is it?”

③ Wonders “Why should I care?”

④ Wants to be persuaded

⑤ 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 fat in this dress?
Too many websites are bloated with irrelevant information.
WHY?
1 TURFISMO

(Every department wants to be on the home page)
FEATURETIS
(Inexperienced communicators believe more is better)
3 TECHNOPHOBIA
(Experienced communicators resist new media)
QUIZ:

Which of these sites looks easier to use?
New! Get the Google Search Appliance for your corporation.

Search or read your favorite catalogs using Google.

Advertise with Us - Search Solutions - News and Resources - Jobs, Press, Cool Stuff...

©2002 Google - Searching 2,073,410,204 web pages
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.
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.
FOCUS GROUPS WERE INVENTED TO FOCUS THE RESEARCH, NOT BE THE RESEARCH.
THE BEST TESTS ARE CHEAP, QUICK, AND DIRTY.
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

Polaroid

Nationwide
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 software 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.
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
5. 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.
So let’s say you’ve 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.
Your brand is now **NUMBER ONE** in its category.
What’s your next move?
PASS OUT THE COMPASSES.
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
BRAND ROADSHOWS
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 **VIRTUAL CIRCLE**.
WITH EVERY TURN AROUND THE CIRCLE, THE VALUE OF THE BRAND SPIRALS HIGHER.
YOU BUILD
A sustainable competitive advantage.
ABOUT THE AUTHOR

Marty Neumeier is president of a San Francisco-based brand consultancy, Neutron LLC. Neutron supplies the “glue” that holds brands together: brand education programs, seminars, workshops, creative audits, process planning, and more.

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