

IMC Journal of Integrated Communications

NEW IDEAS AND BEST PRACTICES IN MARKETING COMMUNICATIONS

2 Staff 3 Sponsors 4 Advisory Board 5 Letter from the Publisher 6 Letter from the Editor

- 7 The Relationship Imperative** **RICHARD EDELMAN**
Shifts in media consumption, attitudes toward corporate accountability, and a proliferation of marketing messages have rendered the old paradigm for corporate communications obsolete. Edelman outlines a new approach to building relationships with consumers.
- 14 Consumer Packaged Goods Get Intimate** **COPULSKY, MEGLIOLA, MONIE AND SUZUKI**
The industry that defined mass marketing and pioneered retail promotions is experimenting on the opposite side of the spectrum—with relationship-building direct marketing.
- 20 A Brand Designed by Core Customers** **ANDREW DAVISON AND BRENDAN KIERNAN**
What can a brand do to be authentic and credible to its customers? By involving them throughout the development of a branding campaign, as described in this case study of outdoor goods maker Marmot's success.
- 27 Taking CLV Analysis to the Next Level** **V. KUMAR AND GIRISH RAMANI**
Loyalty programs aiming to increase share-of-wallet may be wasted on the wrong customers, say the authors, who develop a framework for assessing customer value that can be tailored to the level of data available and sophistication appropriate at a particular company.
- 34 The Last Frontier of IMC?** **JASON MOUNTS AND ALISON ROSENWASSER**
Companies that splurge on CRM initiatives and big-bucks marketing campaigns often overlook the asset that makes or breaks the customer relationship: the quality of service given by employees on the front lines.
- 40 Direct Marketing Lessons for Mass Marketers** **SCOTT D. SCHROEDER**
Segmentation techniques developed in the direct marketing world can bridge the gap between the direct and mass approaches, paving the way for truly integrated campaigns.
- 44 The New World of Corporate Governance** **KURT P. STOCKER**
In the wake of high-profile scandals, stakeholders are increasingly informed and skeptical about the way companies manage themselves. Corporate communicators must address these concerns in new ways.
- 48 Bringing Business to Business Brands to Life** **ANN MEARA**
Although most business-to-business companies realize the importance of branding, when it comes to execution they lag behind their consumer marketing counterparts. Meara discusses the challenges unique to B2B branding and strategies for sales success.

21 About the IMC Program 31 Staff Biographies 41 Subscription Information 51 Call for Papers

Bringing Business-to-Business Markets to Life

ANN MEARA

Although most business-to-business (B2B) companies now realize the importance of branding, when it comes to implementation they still lag behind their consumer marketing counterparts. Ann Meara discusses the challenges unique to B2B branding and strategies for sales success.

aking cues from its consumer marketing counterparts, the B2B world is applying brand strategy to build differentiation, take market share and manage acquired brands. A healthy dose of brand strategy may be the tonic for B2B marketers facing sagging profitability, undifferentiated offerings and confusion among sales and marketing channels. Because many B2B manufacturers must communicate their desired brand messages through distribution channels, this article conveys factors affecting brand perception at the manufacturer, distributor and end-user levels. It also describes brand realization—a crucial research and planning endeavor that results in sound integrated brand communications plans for channel partners, as well as other key stakeholder audiences.

After years of consolidation and acquisition at the manufacturer and distributor levels, business-to-business marketers are gathering tools to build effective brand strategies. Today, many manufacturers find themselves holding large, often undifferentiated and seemingly unrelated brand portfolios. Motivated by branding success stories in consumer markets and by the prospects of boosting market share and extracting price premiums, these companies face tough strategic choices.

Should they keep, merge or rationalize their brands? And how can they create a brand promise that will resonate with acquired employees, super-sized sales and marketing channels and ultimately end-users? Most importantly, once the promise is identified, how will these marketers make it “real” in the minds of employees, channels, customers and other key stakeholders?

Many questions like these remain unanswered, however, as B2B companies lag significantly behind their consumer marketing counterparts in terms of brand strategy. In a recent study, 31 percent of the B2B companies surveyed said they have no brand strategy and 37 percent said they have only an “informal” brand strategy, while the remaining 32 percent acknowledged a formal brand planning process.

Although many haven’t taken significant action, most B2B marketers recognize the growing importance of branding (Segal, 2002–

2003). Studies show that brand strategy has risen into the top five factors affecting manufacturers’ senior sales and marketing executives—based on a 10-point scale.

In the face of global competition, product complexity and industry consolidation, it’s not surprising that brand strategy is critical to companies serving B2B markets. That’s because strong brands obtain significantly higher and sustained share of customer and channel revenues, exhibiting three to 10 percent higher price premiums when

Only 32 percent of B2B companies surveyed said they had a formal brand strategy, and 31 percent said they had no brand strategy altogether.

compared to weaker brands (Segal, 2002–2003).

Research, analysis and client service engagements with B2B manufacturers often reveal the following brand-building problem (Segal, 2002):

- Insufficient, off-target customer research.
- Inattention to services wrapped around the product.
- Poor coordination and selection of distribution partners.
- Senior executive inattention.
- Overlooked internal communication.
- Non-compelling brand messages.

To remedy issues like these, B2B marketers should take decisive steps to:

- design optimal brand architecture
- develop a unique, credible and compelling brand promise
- plan an internal and external integrated brand communication program that will enable “realization” of the strategy.

Each step must be based heavily on research with key stakeholders, such as end-users, marketing channels, company management and employees.

This article will highlight keys to brand architecture and brand promise development and delve deeply into research perspectives and implications for brand realization.

HIERARCHY AND MESSAGING HIGHLIGHTS

Building a Brand Architecture

Simply stated, brand architecture represents the cross-company hierarchy of names and identities. Designing optimal brand architecture requires that B2B companies identify needs across end-user segments and across other audiences, determine the variance in the required message, evaluate the competitive landscape and analyze costs and internal constraints associated with each alternative (General Electric, 2003). As many B2B companies have made acquisitions—and swayed to and from centralized and decentralized organizational structures—brand architecture has become more and more complex. Sorting through corporate, divisional and product line brands to determine the appropriate hierarchy and usage can be a formidable task.

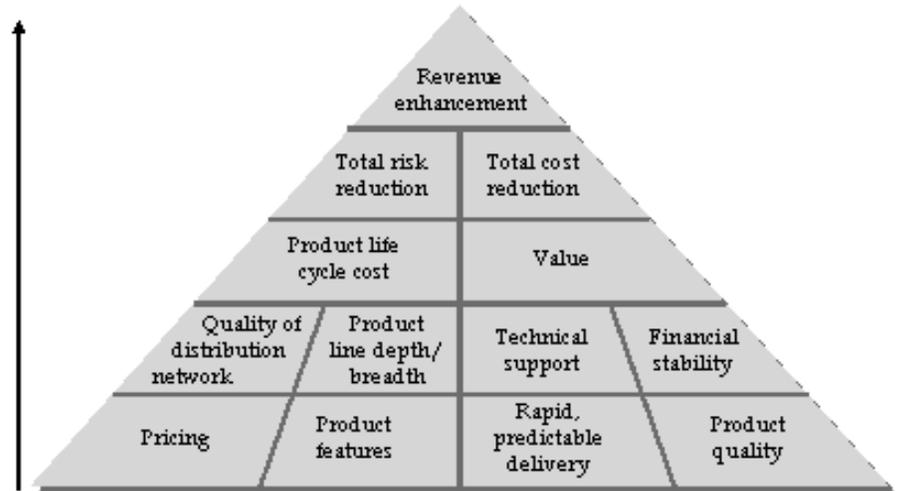
Although Rockwell Automation, Inc., formerly a division of Rockwell International, has managed multiple business units, grappled with brands and sub-brands and even faced business unit spin-offs, the company has maintained a history of ongoing brand strategy refinement. For instance, Rockwell invested in significant research to develop the architecture around its “complete automation” tagline. Perhaps Rockwell's ongoing commitment to branding is one of the reasons this company remains the number one name among industrial brands (***?Emerson Electric).

Similarly, General Electric Company (GE), with a history of strong brand equity, keeps its brand identity clear through use of its corporate name, symbol and “imagination at work” tagline in B2B divisional marketing communications. While GE Oil & Gas is a division of GE Power Systems, which acquired PII Pipeline Solutions last year, consumers of the division's advertising communications receive the following simple and consistent message: “In every field in which we work, our ideas and our innovation make lives easier, safer and more rewarding around the globe.” The GE logo and tagline appear in the ad, along with a less prominent reference to oil and gas.

A less complicated use of brand names is becoming the trend for savvy B2B companies. Multi-divisional and multi-brand organiza-

The Brand Promise Pyramid

- ❖ Compelling
- ❖ Price premium



Unique and compelling brand promises are more often found at the higher level of the Brand Promise Pyramid.

tions that formerly trended toward a laundry list of brand names are keeping it simple. For example, Emerson Electric Co. uses the Emerson logo and “consider it solved” service mark whether advertising for its network power, process management, climate technologies, storage solutions, industrial automation, motor technologies appliance solutions or professional tools divisions. Again, the divisional name is simply highlighted in the lower portion of the ad.

Developing the Brand Promise

The brand message may be defined as an implicit and explicit promise to the customer. Most marketers understand that a brand promise matches the key strengths of the seller with those of the buyer. They also know that strongest brand promises are viewed by stakeholders as unique, credible and compelling. But less commonly known is the observation that in B2B markets, seller strengths and buyer needs generally align in the following categories (Segal, 2003)

- Operational—processes or conversion
- Logistical—ordering, stocking, delivery
- Technical—development, application, installation
- Financial, economic—cost, price, ROI
- Emotional—affecting group or self-perception

Frank Lynn & Associates employs the brand promise pyramid to assess and prioritize positions against two components of attractiveness. As exhibited below, promises that are compelling and likelier to bring price premiums are found at the higher level of the pyramid.

Realization: Perspectives and Implications

Once companies have invested in the research required to define a sound brand architecture solution and an on-target brand promise it's imperative that they choose the right integrated brand communications approaches to turn strategy into a reality. We call this crucial research and planning phase, "brand realization." Realization entails taking a deeper dive into stakeholders' habits, behaviors, motives and perceptions to discover optimal communications strategies, mediums and plans.

Brand realization forces companies to research, test, analyze and plan improvements both inside and outside their organizations. The plan scope will depend largely on the strategic findings and degree of change required, based on those findings. However, most B2B implementation plans address:

- Internal change management, marketing and communication
- Customer service
- Direct sales
- Channel sales
- External marketing and communications
- Price
- Packaging
- Product

This article will focus on realization as it relates to internal, external and channel marketing communication. At the core, brand implementation plans should be designed to manage communications processes both directly and indirectly. This recommendation is based on the recognition that communication flows to, from and through many entities, and each can play a key role in influencing brand perception. Companies must not only actively manage and orchestrate communication that flows from them directly, but also provide the words, tools and mechanisms that help ensure effective translation of these communications. This is particularly true for companies working through marketing channels.

The key components of B2B brand realization are best understood against a backdrop of market insights and perspectives from end-users, sales and marketing channels, and manufacturers themselves.

The End-User Perspective

A Frank Lynn & Associates study found that the top three sources of brand information were manufacturers' product catalogs, manufacturers' product literature and word of mouth communications. The high score of

word of mouth points to the need to develop brand communication programs that encourage end-users to effectively "translate" or refer the brand through formal and informal communications. Tactical examples of translation include "tell a friend" or "tell a business associate" incentive programs on websites, events that bring satisfied customers and prospects together, and other venues for two-way communication. Actively managing and orchestrating opportunities for this kind of communication is possible; marketers can be architects of the buzz.

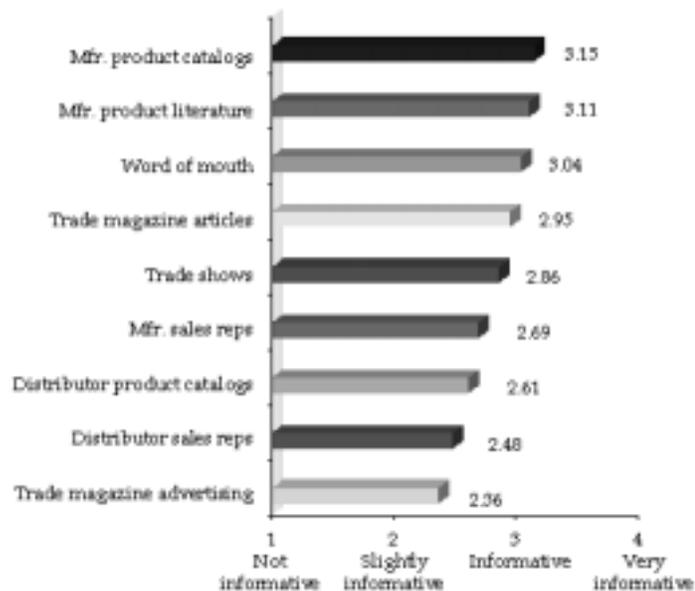
B2B marketers should design integrated brand communications programs to attain a series of goals that go beyond the perceptual measure of awareness and even understanding, to the point of experiencing and translating the brand promise.

The consumer equivalent of the brand experience concept is what Marc Gobe calls "emotional branding" in his popular book by the same title. Gobe recommends building stronger connections and relationships which recognize customers as partners and connecting products to the consumer in an emotionally profound way and tapping into aspirational drives which underlie human emotion.

The key B2B applications of Gobe's insights are (Segal, 2003):

- Decision-makers are influenced by personal and professional drives and motives
- Research, understand and fulfill them through experiences
- Partnering for success can mean success
- Communication should be a two-way street

Top sources of B2B brand information



Far above advertising and sales reps, B2B buyers find product catalogs, literature, word of mouth and trade magazine articles to be the most compelling forms of information.

The high value of word of mouth points to the need to develop brand communications programs that encourage end-users to effectively “translate” or refer the brand through formal and informal communications.

- Build services into ongoing relationships

As most marketing experts agree, customers who have had positive, first-hand experiences with brands—through real, sensory or virtual product demonstrations, representations, samplings or actual purchases—will be more personally convinced of their feelings and attitudes toward the brand and also, be more convincing to others as they translate those attitudes. This peer-to-peer communication is also likely to be perceived as more credible than corporate marketing communications. Gobe acknowledges that word of mouth is emotional branding at its best.

Perhaps this is why marketers in the consumer world have invested in large-scale advertising campaigns designed to convince consumers to experience or try on brands. For instance, full page ads introduced General Motors’ around the clock, 24-hour test drive. The Gap pursued a similar strategy in its advertising that offered discounted merchandise just for trying on a pair of khakis.

Similarly, more and more B2B companies expect marketing communications programs to solidify or build brands and bring in customers at the same time. This is largely due to increased pressure to link marketing activities with actual return on investment (ROI). Helping customers to experience brands can result in a competitive advantage that frequently shows up on the bottom line. In market research, distributors have reported that they encourage frequent product demonstrations, samples or trials as a strategy to eliminate competitive brand inquiries.

Integrated brand communications tactics directed at end-user prospects can be linked to build awareness, understanding, experience and translation (AEUT) of the brand promise. The messages are continuously directed to a smaller and smaller sub-set of the original audience, as prospects self select and become more qualified to become actual users. The broader one way communications, public relations and advertising, are followed up with two way communications, such as response-driven web and direct marketing. Brand experience through real or virtual product trial, test or demonstration, is followed by incentive-driven programs to encourage positive outward communication.

For maximum effect, it is important that this goal setting approach be customized as much as possible by analyzing and applying company-specific market segmentation and buy cycle information. In a broad sense, the AEUT goal setting approach can be applied to current customers in branding at the transaction (experience) and postsale (translate) phases.

Although the approach of charting brand contact points is not

unique, it is important to demonstrate B2B customers’ sources of brand information, and how they differ from consumer product contacts. The most obvious difference is the large and potentially impactful role the distributor plays in representing the brand.

Often, contact points vary by segment or individual and can form the basis for database marketing or CRM approaches.

It is important to research the details behind each contact including, from the customer’s perspective, who communicates how they do so, when this communication occurs and how messages are both delivered and received. Companies should frequently come back to these contact points to ask, “based on my latest customer input and my strategic goals, is there a better way?”

The Channel Perspective

Channels play a complex, but important role in brand strategy. That’s because B2B manufacturers often rely on distributors, resellers and other sales and marketing channels for a large portion of their sales. What’s more, the channel itself represents an influential brand contact point for end-users, as previously demonstrated.

Because the distributor is customer-facing, it represents both a communications target and a communications medium. A brand realization strategy must include a plan to deliver the brand message to and through the channel. In other words, channels must be aware of, understand, experience and ultimately translate the brand promise.

Ideally, manufacturers will select channels that complement their brand message. Communications tools, training, material and reward systems must be built into brand implementation plans directed to and through this important audience. Specifically, marketers need to coordinate and motivate the channel through education, shared customer data and sales and marketing tools, as well as compensation. Both the manufacturer and its channels express the brand to customers through their level of responsiveness, availability, accuracy, politeness and other actions.

Similarly, the AEUT goal setting approach for brand realization can be applied to media that reach channels or end-users. A video news release or press kit would be designed to generate media awareness of the brand promise, while a briefing or interview would move them to understand the proof points behind the promise, demonstrations or samples would amplify this understanding to the point of experiencing the promise, which would then be translated through an article or broadcast cover-

age.

The Internal Perspective

A key area of analysis that should precede any internal or external brand communication launch is organizational change and impact. Some organizational and communications research goals can be gathered concurrently. A similar research approach should be taken with external channels.

Inside the organization it is crucial to involve employees representing all functions and levels, especially customer-facing individuals and departments. Internal research sessions are designed to solicit input, generate buy-in and create a sense of accountability. Internal research should not only play a role in driving the development of the brand messaging. It should also uncover the activities and proof points that will support the selected brand message. For these reasons, sound methodologies entail both internal and external research at the each of the brand architecture, brand promise and brand realization phases.

In realization, with the brand promise and architecture in hand, the internal research objectives are to:

- get behind the promise to identify all the ways it can be supported internally
- identify the organizational barriers to realizing the promise
- uncover communications habits and preferences that will filter into plans for internal branding

It is important to develop and maintain a culture of communication throughout an organization, and branding can be the impetus of such change. A case in point is a leading power tools manufacturer that shares its annual business plan with every employee from the assembly line to the executive suite. The plan not only links marketing strategies to the brand promise, but it also details employee actions that will contribute to the brand's marketplace and bottom-line success (Gobe, 2001).

The End Game

Brand strategy is on the radar screen for savvy B2B marketers. The importance of branding and its potential impact on price, differentiation and overall profitability is clear. Yet few companies serving B2B markets possess branding as a core competency. And although developing the right architecture and brand promise are crucial, they represent just a beginning. Realization is the end game.

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Thank you to my colleague Bob Segal, Frank Lynn & Associates, Inc.

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