

The best brands succeed because they excel at each stage in their lifecycle. They don't skip steps. Great brands are founded on more than a compelling promise and innovative marketing communications. The stewards of these brands recognize that compelling promises and marketing only bring you to your customers' doorstep. In order to enter their homes and become integral parts of their lives you must also excel at delivering positive buying and using experiences.

Unfortunately, too much brand literature begins and ends with the brand definition and marketing communication activities. It is time for brand and marketing executives to take a holistic view of brand development and be accountable for the brand's performance beyond the marketing media.

### **The Five Stages of a Brand Lifecycle**

So, how do you take a holistic approach to growing a successful brand? Brands have a lifecycle that is best understood in stages. Each stage has both a short and long-term impact on how customers view your brand. Come up short in any one area and you will surely face consequences.

The five stages of your brand's lifecycle begin with the brand definition and then progresses through four distinct customer experiences.

1. The Brand Definition
2. The Awareness Experience
3. The Buying Experience
4. The Using and Service Experience
5. The Membership Experience

Some brands fare better than others at certain stages. Some brands never mature through the full five-stage lifecycle, seemingly stuck in the equivalent of adolescence or early adulthood.

There are two aspects of the brand life cycle that should be highlighted at the outset. First, brands live in the minds of their customers. The implication is that you do not own your brand; you are merely its captain and steward. Therefore, you should view your brand from the perspective of the customer's experience until it is eventually renewed or retired.

Second, although success at each brand lifecycle stage varies widely, every brand that generates even a single customer travels through stages one to four. By contrast, stage five, the membership experience, is reserved for brands that generate such intense loyalty that customers actually integrate them into their personal identities. But long before any membership experience can exist, brands must create clear definitions that can be embraced by their primary target customers.

### **Brand 101: Defining the Brand**

*"We all know that the Disney brand is our most valuable asset. It is the sum total of our seventy-five years in business, of our reputation, of everything that we stand for."*

Michael Eisner, Chairman and Chief Executive, Disney

The first step in a brand's lifecycle is its creation. Brands are not products, nor are they services. Brands represent a promise to fulfill a customer need. The promise may be utilitarian, such as a clean pressed shirt from the dry cleaner, or it may be emotional, such as the comfort provided by Volvo's commitment to safety.

All of us have experienced when brands have delivered on their promise and when they haven't. But how does a company construct a brand promise? There are four basic components to defining a brand:

- **Who:** the primary target customer for the product or service
- **What:** the offering of skills, capabilities or features
- **Why:** the benefits the brand provides to its customers
- **How:** the approach utilized for delivering the promise

**Who:** The first component describes the primary target customer and how they buy and experience your products or services. Simply put, this is the company or individual that will pay you the most for what you do and how you do it. These are the people who will experience your brand most directly and intimately.

**What:** The second component defines the product or offering for your primary target customer and identifies the requirements to meet the customer's needs. The offering describes the product or service based on its unique characteristics and defines the capabilities required to deliver the promise.

**Why:** The third component describes the two or three key benefits your primary target customer receives when they utilize your products or services. When you choose to shop at Staples, you get informed sales support, a deep and intelligent selection of product choices, a competitive price and, most importantly, no hassles. When you purchase a Sony DVD player, you expect it to work when you plug it in and for several years thereafter. The benefit component clearly articulates what customers receive for their time and money. It is the value you provide.

**How:** The fourth and final component defines how you deliver and, equally important, how your customer experiences your brand promise. In many instances this is the most differentiating aspect of a brand because it is very difficult to emulate. There are many amusement parks, but Disney World is unique. From the cleanliness of the parks and hotels, to the décor, to the designation of every employee as a cast member, Disney World successfully delivers a differentiated experience that customers value highly. Similarly, Dell delivers PCs to customers, hassle free, at competitive prices and provides industry-leading post-sale customer support.

The brand promise describes the client you will serve, your customer offering and the capabilities required to deliver it, how you execute it, and the value you provide. The brand promise should be crisp, be understood universally, and demonstrate an advantage over competing brands. Defining the brand promise is selected as Brand 101 not because it is easy to do-in fact it may be the most challenging of all of the subsequent brand chapters-but because it is what you must do first to be successful.

Once you build a brand promise, you must make your target customers aware of your existence and of the benefits you can deliver. This is the point where your brand enters the public domain and will begin its life in the mind of your customers. Although many people consider this to simply be marketing communications, it is more accurately viewed as the customer's awareness experience.

### **Brand 201: The Awareness Experience**

*"Simplicity is all. Simple logic, simple arguments, simple visual images. there's nothing long-winded about 'Liberté, égalité, fraternité'."*

Maurice Saatchi: M&C Saatchi

Brands live in the minds of the customer. But how can you get your brand in there? And, how can you get your primary target customers to create positive associations with your brand? This is no small task.

Brands obtain awareness in the mind either through the customer's brain or through his heart. The brain has many analytical and cognitive filters designed to determine the veracity, meaning, and relevance of any idea, concept or brand. Getting into the mind via the brain typically requires knowledge of the functional benefits of a brand. Is it the right size and color? Does it have a service contract? Is it priced fairly? Is it the industry standard?

Getting into the customer's mind through his heart is a zero sum game. The customer's heart either accepts your brand completely or rejects it completely: everything, or nothing at all. To get into the customer's mind via the heart typically requires an appreciation and empathy for the emotional benefits of the brand. Will it help me sleep better at night? Will it say positive things about me to others? Does it make me feel accomplished or successful or happy?

Both strategies have the same goal: establish brand awareness among your primary target customers. There are several methods and channels available for establishing awareness and we experience them every day. Broadcast media, print advertising, direct mail, direct email, billboards, store locations, earned media and direct sales are common tools, although some are better than others at efficiently targeting customer segments.

So how do you measure brand awareness? The first form of measurement is known as brand recall. An example of brand recall would be: If I say the word 'sneakers', and you respond with the word 'Nike'. Recall is a very good thing for a brand. It means that Nike owns the premier position in your mind whenever and wherever you think of the type of footwear we know and love as sneakers. It is the brand against which all other brands in the category are measured. Nike has an advantage over competing brands.

The second form of measurement is known as brand recognition. An example of brand recognition would be: If I say the word 'Sony', and you recognize who they are and can name one or more of their products and services.

Brand recognition is also a good thing for a brand. It means that the name of the brand is in your customer's mind and that the brand has created the essential and critical associations of its name to its products and services. This recognition ensures that Sony will be in the

competitive set when a potential customer is thinking about buying a small, portable CD player we know and love as a Walkman

So what does awareness mean in the mind of the customer? It means that they 'understand' and desire the brand. It means that the brand appeals to them both emotionally and intellectually and that they know why they prefer it over competing brands. Finally, it means that they have adopted and believe in the promise of the brand-a promise that they understand from advertising, through word of mouth, and from observing others who have bought and are using and enjoying the brand.

However, brand awareness is not the end goal. This is where many brand strategies fall short. They focus on generating interest, but do not consider how to close the deal and create a paying customer. The goal is to create awareness and secure a buying commitment and customer relationship. To successfully complete the customer acquisition, you must follow a compelling awareness experience with a seamless and fulfilling buying experience.

### **Brand 301: The Buying Experience - the First Moment of Truth**

*"A business exists because the consumer is willing to pay you his money. You run a business to satisfy the consumer. That isn't marketing. That goes way beyond marketing."*

Peter F. Drucker

People want the brands they buy to reflect the intelligence and sophistication of their buying decision. Brands function as signs of quality and assurance. They simplify complex purchasing decisions. They are indicators of value and price. If you are aware of the brand, then you know its promise and you understand what needs it will fulfill and how it will make your life easier.

Many factors can impact the brand-buying experience. Is the product available in the right color and the right size? Can the store employees or account managers answer your questions and facilitate or validate your choice? Is it priced appropriately?

Consumers are multi-channel customers. They expect the buying experience to be 'on-brand' in the retail store, on the Internet, through a call center, and with a sales representative. Wherever and whenever they buy their preferred brand, be it Caterpillar or Polo, they want to have a consistent and positive buying experience. No surprises.

So, how does a customer experience the buying of a brand? If you buy a pair of shoes at Wal\*Mart, you expect to see a long rack of boxes, no sales assistance, and you anticipate paying a modest price. If you buy shoes at Nordstroms, you expect to be escorted to an elegant display of the latest styles, have your shoe size and fit confirmed by an experienced footwear consultant, and pay a premium price for the brand. You would not pay a premium price for the same shoe at Wal\*Mart.

However, shoes are simple and familiar products that require less technical understanding than a new business software application. You would not purchase such a complex item at Wal\*Mart which specializes in stocking proven, undifferentiated products at low prices. You

require a much higher level of support throughout the buying process provided by either the software developer or one of its skilled channel partners.

In the buying experience you engage the customer; and she considers whether the brand promise is worth the cost. It is a moment of truth, a dividing line that separates prospects from customers. Your brand needs to excel at moving people from the prospect stage to the using customer stage, or your brand's lifecycle will be short.

### **Brand 401: The Using & Service Experience - the Other Moments of Truth**

*"Really, at its core, branding is simply marking something and saying, 'This is from me'."*

Karl-Heinz Kalbfell, Global Head of Brand and Product Strategy: BMW Group

Interbrand: The Future of Brands

In the using and service experience, brands must deliver on yet two more moments of truth - two opportunities to keep the brand promise.

The second moment of truth is the using experience. In the buying experience a retailer or channel partner can provide support and guidance ensuring a positive experience, helping the customer through any difficulties he may encounter. By contrast, there is typically little or no support in the home or the work environment to ensure that when the customer plugs it in that it will start and start every time.

We expect the brands we use to provide both functional and emotional benefits. The functional benefits range from the model, color and size ordered, to the durability, stability and performance of the product. If we ordered the 'Special Deluxe Model' we expect an additional set of features to provide us with extended capability and shelf life. The emotional benefits we expect from the brand range from safety and confidence to the signals of quality and prestige that the brand communicates to others. Both products and services need to be engineered to ensure positive and consistent using experiences.

However, accidents happen. Parts wear out. Services will eventually miss the mark. Will the company keep the promise of the brand when the customer dials the call center seeking technical support? Will she have to wait 30 seconds to speak with a customer service representative or 10 minutes? If the customer walks into the store with the product but without the original box and sales receipt, will the company stand behind the brand?

The service experience is the third moment of truth for the brand. It often has a profound impact on the customer relationship and determines whether repeat purchases occur and whether word-of-mouth is positive or negative. Successfully fulfilling expectations in customer service can be as critical as the using experience and should be anticipated as part of your brand definition activity.

So, now that we have successfully created awareness for the brand and delivered a positive buying and using experience, how do we further grow the brand in the minds of our customers?

## **Brand 501: The Membership Experience**

*"A brand has to feel like a friend."*

Howard Schultz, CEO

Starbucks

Interbrand: The Future of Brands

When brands obtain a certain level of awareness, when everyone who buys and uses products in a specific category recognizes and can recall the brand, when customers want to be affiliated with the brand-it achieves a new status. That new status is the membership experience.

The exclusivity and the privileges of membership are valued by the customer. They recognize the brand as being strong, favorable and unique. They enjoy shared experiences with other owners of the brand.

Membership status is desired by every brand because it induces a specific type of customer behavior. That behavior is defined as repeat-purchase, referral-generating, discount-foregoing, premium-paying customers. The customer goes out of his or her way to purchase the brand even when another more convenient and competitive brand will meet the same need.

Apple Computer has achieved this status. Starbucks, the Harvard Business School, Intel, Caterpillar, BMW, Disney, McDonalds and Wal\*Mart have attained this status. The customer is proud to say that they purchase and use the brand. They display it. It is a source of identification. It is a sign of quality and a source of comfort. The brand is seen as a best friend and as a leader in its category.

Even though the brand's customers are strangers, they create social occasion around the brand. Harley Davidson customers tattoo the logo on their arms and chests. They pay a premium price for a leather jacket with the Harley name on it. They travel great distances to meet, socialize and travel with each other.

Some brand users swear that they can jump higher and perform better when wearing their Nikes than other basketball shoes. Children believe that the rides at Disney are better than the rides at any other theme park in the world. And so do their parents.

When brands identify similar attitudes, encourage the expression of emotion, establish etiquette, create social occasion, and enable individuals to see the world through like eyes they have created the membership experience-and it is a privilege for the customer to belong.

There is no unique formula to achieving a membership experience for your brand. Many luxury brands have achieved this status, but so have several value brands such as Wal\*Mart and Dell. However, brands that have achieved membership experience status do have something in common: all excelled at each of the first four stages of the membership experience. They defined, communicated, and delivered a strong brand promise that resonated with target customers. It is clear that if you fail at the brand definition, the communication, the buying or the using experience you will not achieve a sustainable membership experience.

### **There is No Stage Six**

There is something that comes after stage five. This is when a brand loses its meaning and relevance. When this occurs, the brand steward has two choices- rejuvenate or retire.

If you choose rejuvenation, the cycle starts fresh by reinvigorating the brand promise to realign its meaning and relevance with your customers' evolving needs. If you decide on retirement, then you harvest the last of the brand's equity and invest your resources in other brands.

Both decisions are valid. Both depend on your objectives and circumstances. But be aware that a choice will have to be made. And often that choice must be made about brands that never reach stage-five status.

### **Successful Brand Stewardship**

So what are the lessons of the brand lifecycle for brand and marketing executives? First, for each brand, you should consider up front how it will perform throughout all of the stages of its lifecycle. Careful consideration of each lifecycle stage in the beginning of a brand's life can help you make critical decisions about what brand promise you will make and how you will fulfill it.

Second, you need to pay careful attention to how you must perform in each lifecycle stage to support your brand. This provides you with the opportunity to determine where you will focus your efforts. For example, you may determine that product durability and usability are the most critical factors for your success and that your primary target customer does not require coaching through the buying experience. This would suggest that you emphasize durability and usability in your awareness building activities and that you must focus a significant portion of your investment ensuring that the product lives up to the promise.

By contrast, another product may require more effort to be placed in training sales people to help customers make complex buying decisions. The important lesson to remember is that by considering your brand's entire lifecycle up front, you can understand the critical challenges and moments of truth it will face and then take proactive steps to ensure they are properly addressed.

Third, all brands must anticipate the first four stages of their lifecycle. However, the fifth stage, the membership experience, requires something more. It requires that you not only excel at each of the first four stages, but also that you create a reason and a means for your customers to incorporate it into their personal identities. This is hard to do. But it is critical to remember that you have no chance to achieve a membership status unless you are very successful in each preceding stage.

Finally, these lessons can also be applied to existing brands. By measuring your brand's success at each of its lifecycle stages you can effectively grade its performance and generate insight into how you can better execute on the promise.

Key questions for brand and marketing executives to ask about their brands:

- What does your brand need to do at each stage of its lifecycle to be successful?
- Can your company's capabilities meet all of the requirements to fulfill your brand promise?
- What company capabilities can you leverage to exceed expectations and which new capabilities need to be developed?
- How well are your current brands performing at each stage of their lifecycles?
- At which lifecycle stage are you falling short of your brand promise and how can you fill the gap?