



## Here Comes the Chickens

Marketers need to sort out what establishes and maintains brands.

By Don Schultz

**FOR THE LAST** half-dozen years, brands have taken the top spot in marketing thought. Everyone talks about, writes, confers and seminars about them. Columnists opine on them, and speakers claim to have found the magic, silver branding bullet. It seems that as the economy boomed, so did the interest and expectations for the practice of branding.

Perhaps this rush to branding was simply a delayed reaction to the failure of the dot-coms in the late 1990s and early 2000s. If you recall, that was when tons of money was spent in advertising, promotion, naming, logo designing and all the other so-called brand accretions that were supposed to help an organization establish a marketplace brand loaded with reputation and value.

Brands were the darlings of the marketing business, particularly the dot-com organizations that were trying to sell everything from postage stamps to condos online. Brands were the “in” thing. Yet investors lost millions listening to the branding experts tell them that a few commercials in high-audience TV shows, with goofy concepts and “inside jokes,” would get the requisite awareness needed to turn their high-flying ideas into “brands.” It was all about awareness and buzz; if you got that with a couple of million, a successful brand was only a few steps behind.

I vividly recall the 2000 Super Bowl. I don’t know who played the game, but I do remember the commercials where Pets.com, Kforce.com Lifeminders.com and Epedemic.com each spent upwards of \$2 million for a 30-second spot to establish their brand presence—only to have their businesses disappear later in the year, when reality arrived.

Clearly, brand lingo and fast-talking brand experts couldn’t save bad business ideas then, and I don’t think they can save some brands today.

The question is: Have we learned anything since the dot-com bust about brands and branding? Has all the whoopiedoo and hullabaloo about brands and branding over the past five or six years made a difference? I think we’re going to find out—unfortunately sooner rather than later—that not much progress has been made.

The current economic crisis is going to separate the brand builders from the brand pretenders, and the brand pundits from the brand scholars. In short, the chickens we hatched, with all our glorification of brand development and management, are coming home to roost. And in my opinion, there’s not going to be much room for some of the branding concepts and approaches that have been bandied about so glibly.

The real issue is sorting out what

establishes a brand vs. what is needed to maintain it—seemingly similar issues, but radically different skill sets.

The difference between building and maintaining a brand is fairly simple. You build a brand with awareness, buzz, innovation and maybe even some serendipitous luck. The brand manager controls all the elements whether that be short-term activities and actions, big television campaigns, highly hyped events, star-power or you name it.

The key is that the marketer is in charge—of everything.

Brands are maintained, however, through marketplace performance—often by other people who the marketer doesn’t have control over. That means they are maintained by the brand experiences the customer receives, whether product or service based, time after time and day after day. The determination of value for money is in the hands of the consumer. And the availability of good, if not superior, customer service through reliable employees and distributors is in the hands of people other than the so-called “branders.”

Unfortunately, brand maintenance is not something the brand manager controls or, in many cases, even has access to. It generally comes from people-delivered experiences by people who have little background, experience, knowledge

or concern about whether the brand promises are delivered—as they were originally promised.

Unfortunately, there's a chasm a mile or more wide for many organizations between brand promising and brand delivering. Those, I believe, are the chickens that are coming home to roost.

We're already beginning to see the differential impact between brand promising and brand delivery.

Even the branding stars everyone quotes aren't immune to the brand experience problem. The spectacular flame-out of Starbucks, one of the branding darlings cited by everyone, in attempting to grow more brand value, forgot about why customers came to the store in the first place. When customers realized that

ing, fulfilling the promises.

Most of all, branding is about being honest, not overpromising and delivering value—and not just slogans.

The difference between brand building and brand maintaining is fairly clear-cut. While brand success is in the hands of the customer, it is still owned by the marketing organization. That means when push comes to shove, which seems to be just around the corner, what the brand owner is trying to accomplish with the brand is truly the differentiating feature between brands that will survive the economic meltdown and those that will disappear.

That question can be summed up in two terms: brand value and brand loyalty. You simply can't get brand loyalty

Just look at what the airlines are doing with frequent flyer miles. Yes, you can earn them, but you can't use them. I have had more than 500,000 Delta Sky Miles for nearly four years. And, to date, haven't been able to redeem them. One of the first tasks of any new assistant in my office is to try to use the Delta miles. As a final effort, we've even called Delta and asked where I could go (anyplace, anytime). The standard answer is nothing for the next three months.

Brand loyalty comes from delivering on brand promises. That's the value the consumer or purchaser finds in brand experiences time after time. The reward for searching out, buying and using the brand.

Brand loyalty comes from brand experiences.

The chickens that are coming back to roost will all be asking the same question: How many of today's seemingly powerful brands have simply been good at building a brand façade, but poor at maintaining brand loyalty?

One of the biggest problems brands face today is that supposed brand experts, like me, and the voluble others who profess brand expertise, have gotten tangled up in our branding underwear. We've begun to believe it is all about "building a brand" and not "maintain a brand," which are two radically different skill sets. The first can be done by a small, dedicated group of brand promoters. The latter, the maintenance guys, are the entire firm, or all the people who deliver on the brand promises. In short, it is the entire organization, working together to fulfill the promises initially made. ■

#### **About the Author**

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## **You simply can't get brand loyalty without delivering brand value consistently to everyone involved.**

almost anyone could machine-make a latte for \$5—and it really didn't take a barista to slam together a coffee shot and a cup of hot milk—Starbucks' promise delivery began to come apart. Even CEO Howard Schultz returning to the helm hasn't reversed the slide.

Real brand relationships are based on developing and maintaining valuable and consistent quid-pro-quo relationships, where both the brand owner and the customer benefit—reciprocity if you will. Each side benefits and wants to continue the relationship, because they get something back that's at least equal to what they put in. Delivering on the promises is either actual or implied. That's what real branding is all about.

Brand maintenance is tough work. That's why it's so rarely seen. It requires dedication and skill and a customer focus. That's a lot harder than taking a mundane product, creating a nifty logo and hiring a few thousand "buzz agents" to roam the streets. Real branding is do-

without delivering brand value consistently to everyone involved.

Brand value, unfortunately, has been defined by many of the financial gurus as the asset value the brand owner can harvest sometime in the future. It's all about cash flows and net present value and assumptions about what the market and the customer will do without knowing much about the customer—or, more importantly, without caring. It's statistical magic that paints a bright and rosy picture of brand success, not unlike that of the hedge fund guys who bundled worthless mortgages and turned them into perceived valuable resources. It's the same as brand managers thinking they can create brand value by reducing product quality; shifting customer service to low-cost suppliers; and constraining brand experiences with rules, regulations and strictures that infuriate customers, but provide greater cash flows to the brand owners. It's all about what is often called "managing the brand."