



## Insights: Occasional Papers from Upstream Consulting

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### Are you a Brand?

Brands and branding seem to be the words everyone is talking about today. Huge amounts of money are being spent on advertising and brand management. General Motors will spend over \$1B US this year on advertising and branding, and it already has one of the best-known sets of brands in existence. Even companies in the high tech industry are spending increasing amounts of money on advertising, public relations and branding. What isn't so clear is what is the return from all this spending. What is a brand anyway? That seems easy – for General Motors it's Chevrolet or Cadillac or in a larger sense GM itself. For Oracle it's ... well, it's Oracle. These, however, are just names - brands are ideas, commitments, relationships. A brand for a high tech company was recently defined as "the conceiving of a promise of value and then ensuring that the promise is kept through the way products are developed, produced, sold, serviced and advertised"<sup>1</sup>. Brands are important for high tech companies because customers, and potential customers, associate a brand with a set of values that the company espouses and also with the value delivered to them as they use the company's products and services. Customers may be attracted to a company because of the technical, economic or even social values that it projects. Examples of each of these are being first with a new technology, providing a risk-sharing model for payment &/ or pledging part of profits for social causes. These are powerful values to be associated with a company and a brand. Additionally, customers are vitally interested in what leverage use of a brand-name product or service can provide them. Public relations and advertising provide, often in very creative ways, a means of expressing and projecting these values and therefore exposing a brand so that it is widely known.

Critical to the success of a brand is a company's ability to deliver on the promise of value that the brand is meant to stand for. Critical to this delivery is the alignment of a company's market positioning, business strategy and technical strategy with the value of the brand. A company whose brand stands for providing the hottest, most innovative technology in its segment ahead of its competitors must make sure that both its business and technical strategy allows it to do so. How is this alignment made possible? First, a company must be aware of what values it (or its products) is perceived to stand for. This is not always what they want or believe it to stand for themselves. Then, the company must assess their values, the values that their products convey and the value that customers derive from using them. Decisions must be made about maintaining or altering these values. Finally the company's strategy and positioning must be assessed and compared with the values associated with the brand or brands projected by the company and its products and services. Branding will not be credible if it is clear that the company's strategy and positioning is not

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<sup>1</sup> Ward, S., L. Light & J. Goldstine. 1999. What high-tech managers need to know about brands. Harvard Business Review. July-August, 1999. Pp.85-95.

aligned with the brand's values and does not allow the company to execute on the promises offered by the brand.

This assessment and comparison is work that is done "upstream" of the messaging, public relations and advertising that fully define and project the brand publicly. It includes a deep assessment of the company's technical and business strengths and weaknesses, and where it stands in relation to other companies in its market. It also includes an assessment of the technology and business trends relevant to the company, and how it is positioned to take advantage of or even drive these trends. This set of activities, assessment and comparison of a brand's value proposition with the capabilities and values of the company, assessment of the company's ability to execute and deliver on the brand's value proposition, competitive comparisons, future trend alignment and business and technology development form the foundation for the development of a brand and for its maintenance and evolution. It is absolutely essential that these activities are carried out upstream of the brand definition and projection activities. Some can be done in parallel, but retrofitting business and technology strategy to a definition of a brand that does not emerge from a company's real strengths and capabilities insures poor alignment which is confusing both to customers and ultimately to the people in the company executing the strategy.

So, are you a brand? If you or your products and services offer a promise of value to customers and you ensure that the promise is kept – you are a brand. You can not do this without doing the upstream work to assess and compare your brand's value proposition with your company's values and ability to execute, assess your competition and relevant future trends and align your business and technology strategy with your brand's value proposition and its evolution – then you are a powerful brand.