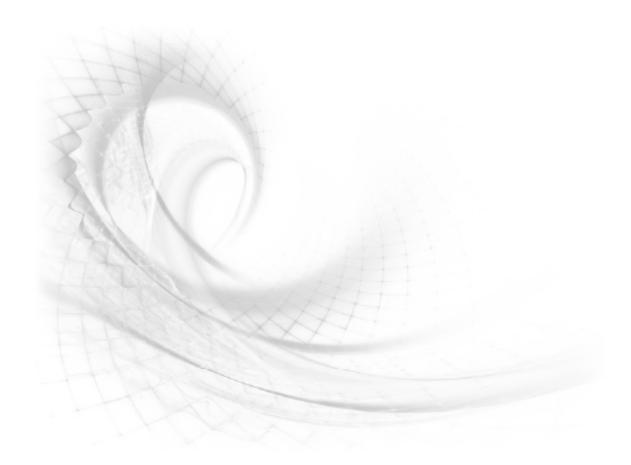




## "IT IS NOT THE STRONGEST OF THE SPECIES THAT SURVIVES, NOR THE MOST INTELLIGENT, BUT THE ONE MOST ADAPTIVE TO CHANGE."

Charles Darwin's observation about the animal kingdom back in 1868 is a pitch-perfect assessment of today's business environment. We must adapt or die.





# **Brand Building and Brand Preservation: The Ongoing Quest for Connection**

Brand building is the process of establishing an identity for a product, a company or both. This brand identity is infused with qualities of intrinsic value. The most successful companies have imbued their products with characteristics like style, quality, consistency, safety, history and lifestyle aspiration to name a few. People buy from brands they know and trust.

While we all like to think of ourselves as rational consumers, in fact our purchase behavior is governed by the dynamic between the quest for emotional satisfaction and product function. The most successful companies have understood this dynamic and invested in making an emotional connection with the consumer.

### Nike: A case study in brand preservation

Nike's decades-long dominance has exemplified the critical importance of establishing emotional resonance with consumers. Nike effectively imbues their products with attributes like perseverance, excellence, and a winning attitude through their close association with athletes who demonstrate these qualities. Nike took these same qualities of excellence and perseverance and moved them

into everyday life, creating whole new categories of products. They changed the entire perception of clothing from a single function to a lifestyle aspiration. They made the market what they wanted it to be, and has enjoyed decades of

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success as the preeminent sports apparel brand in the world. The "Just Do It" slogan inspired action beyond sports; wearing Nike apparel became a tangible demonstration of the consumer's attachment to this sentiment as a lifestyle exhortation.

Nike was successful with this approach for many years, but began to rest on their laurels. The "Just Do It" campaign became stale. This staleness was a result of cultural inertia, which reflects a natural desire to preserve what has worked in the past and not take risks. Brand preservation does not mean letting the brand become ossified; rather, it is about keeping the aspirational and emotional connections with consumers throughout societal evolution. Ironically, to preserve the brand, companies must constantly reconnect with consumers and reenergize the appreciation of what the brand means to them.





Nike was slow to do this, and as a result created a market opportunity for Under Armour (UA) to exploit. UA quickly became the brand of a new, younger generation of consumers. Nike was then perceived as the establishment brand of older consumers. UA sponsored a new segment of extreme sports activities called the X Games, which appealed to the outlaw rebelliousness of young people. In so doing, they created and legitimized a whole new industry segment and celebrated the new generation of extreme athletes. This was a risky investment that could have gone either way. What gave UA the confidence to pursue this initiative was the history of success that Nike established by connecting consumers with athletic excellence.

Nike responded in an extraordinary and innovative way. They believed that consumers wanted the same association with sports success to be applied to larger issues that affected them. By continuing a full-throated support of a particular endorsement, they waded directly

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into a controversy that most companies would have actively avoided. This statement cut right through societal lines. Nike took a public stand even in the face of being called out by the most powerful political office in the land. They did

not waver. What they did was to capitalize on the success of the "Just Do It" slogan and transformed it into "Just Do It Right" as it related to iconic American values like justice and freedom. This move reenergized consumers and reestablished Nike's position as not only the preeminent sports brand, but the brand that sees the value of issues far beyond the playing field.

#### Perception can be more important than product

Consumer product companies cannot afford to have a myopic view of themselves, considering only their products. They must consider how they are perceived by consumers. Consumers think about more than features and the aspirational aspects of products; they are looking for a connection to establish trust and loyalty. Once companies have earned the trust of consumers, they will enjoy a lifetime of value so long as they continue to honor it.

The most successful consumer brands invest in establishing an umbrella effect for all the products they make. The performance features of each product are imbued with the values of the corporate brand. Companies must recognize that there is a whole set of intangibles surrounding the corporation itself that must be developed and nurtured. This umbrella effect not only serves as a catalyst for product extension and market entry, but also helps to insulate any individual product in a time of difficulty.

A great example of this is Johnson & Johnson (J&J). J&J has sustained a decades-long reputation for quality, safety, caring and value. Babies become J&J consumers from infancy and the relationship persists throughout their lives. From baby oil to pain relievers to Band-Aids, J&J is known around the world as a brand that can be trusted.

This reputation was critical in helping them navigate through a significant business crisis. In 1982, an individual sabotaged packages of Tylenol on the shelf of a pharmacy in Chicago. This terrified the nation and caused panic regarding all pain relievers, but particularly the Tylenol brand. Analysts predicted the end of the product line completely. J&J immediately responded with changes to their



packaging and set the safety standard for the rest of the industry for what we now know as safety packaging. Their action on behalf of their consumers was perceived as a genuine and effective response. J&J was rewarded with continued trust and loyalty as a result. Tylenol exists as a testament to this and continues to this day as a popular brand.

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The history and trajectory of private brands mirror the same constraints and challenges as nationally known ones. When first introduced, generic products were viewed with some suspicion and languished on store shelves.

When repackaged and promoted as a store brand, they then inherited the attributes and value of the store's umbrella brand identity. Customers shopping for flour would walk past a product labeled only as "flour," but would purchase the identical product labeled as "365 Brand" at Whole Foods without hesitation. The reason for this is branding immediately conveys the quality and safety of the products that Whole Foods stands for. The same is true for the Kirkland brand at Costco, Archer Farms at Target and many others. Even a store brand can be a successful brand.

#### Final thoughts on brand building and preservation

Branding is a declaration of identity. This might be a statement of value, it may be a statement of quality, it may be a statement of style or a combination. The success of branding is determined by how the brand message is communicated, and if that communication is accurate and consistent. What a brand is not, is static. Brand preservation does not imply stasis. It is not an event, but rather a continuous and ongoing exercise that seeks to create consumer interest and engagement — either physical or virtual.

It is incumbent upon retailers to continue the conversation with consumers through brand extensions. This is done by adding related products under the brand umbrella. Retailers must recognize that the act of growing products under the umbrella in fact changes the umbrella. The challenge is to remind consumers of the consistency of the brand while communicating that the brand is changing. Savvy brands embrace this challenge to make sure their products continue to meet consumer need for emotional connection.



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