CHAPTER 1

The BrandMindset®

Thinking like a Genuine Brand with a Brand Profile of Hallmark Cards

I am a brand.[1]
—Martha Stewart

BRANDING IS A MINDSET

The BrandMindset concept is dedicated to the proposition that each person and every activity in any organization should be focused daily on the question: "How am I building our brand's equity?" This question is universally applicable. Enterprises of all sizes, from home-based professionals, new ventures, and small corporations to "not for profit" associations and large global conglomerates, are challenged not only to answer this fundamental question but also to deliver tangible results.

While most employees can easily describe their functional job tasks—"I answer the phone"; "I am the vice president of marketing"; "I fill orders"; "I execute retail promotions"; or "I sell more pharmaceuticals..."—they may not be clear as to how they enhance their organization's brand equity.

Our brand advisory experience with all types of organizations (corporations, associations, and new startup ventures), from Belgium to Singapore and New York to Seattle, has led to the conclusion that if a brand is to be genuine and truly successful, the organization must learn to "think like a brand." It is not enough to think only in terms of providing the best of something in a category or industry. Merely innovating products and services won't necessarily achieve a long-term, sustainable "position of privilege" with consumers. Everyone in an organization must have a personal understanding of what their brand stands for and how they deliver the brand's essence.

In order to convey how to think like a brand and have fun along the way, we have endeavored to introduce the concepts and methodologies of the BrandMindset in a clear, concise, and direct manner, similar to a Microsoft PowerPoint® presentation. At the conclusion of this chapter, we profile Hallmark Cards because we believe that Hallmark is an outstanding example of an organization that thinks like a brand. The concepts introduced in this chapter are explained in greater detail in later chapters. So let's begin to see what it means to think like a brand.

WHAT IS BRAND EQUITY?

As indicated in the introduction, it's everyone's job to build an organization's brand equity, from the voicemail recording to the chief executive officer. You would think the one person in the or-

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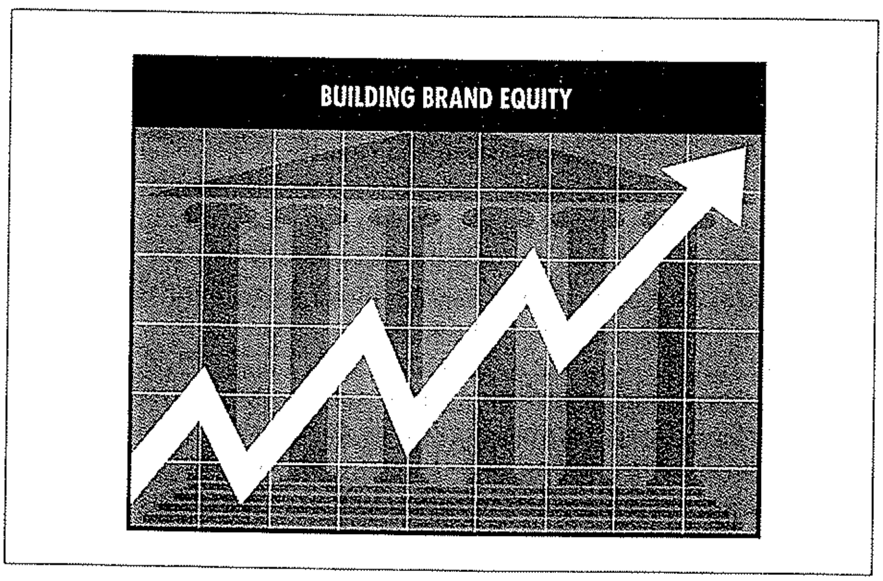

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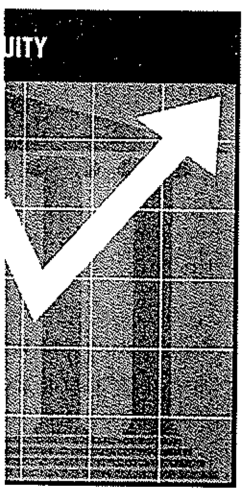

ganization who would know the most about brand equity would be the chief executive officer. The fact is, just the opposite is sometimes true. In *Marketing Myths That Are Killing Business,* Kevin Clancy and Robert Shulman write that in truth, "many chief executive officers know very little about marketing and much of what they know is wrong."[2]

We believe—and define—*brand equity* as the totality of the brand's perception, including the relative quality of products and services, financial performance, customer loyalty, satisfaction, and overall esteem toward the brand. It's all about how consumers, customers, employees, and all stakeholders *feel* about a brand. All too often, running the daily rat race gets in the way of making customers or clients happy, i.e., enhancing their perception of the brand.

BRANDS ARE IGNORED AS STRATEGIC ASSETS

Our research indicates that organizations rarely optimize brand equity. When chief executive officers are asked who's responsible for their brand, a frequent answer is "the advertising agency" or "someone in marketing."

However, if you ask chief executive officers such questions as:

- Who determines what products and services to offer?
- Who decides which customer service employees to hire?
- Who is responsible for formulating pricing for products and services?

they do not answer that it is the advertising agency.

The fallacy entertained in many organizations is that the brand has to do primarily with advertising, promotions or messages that the marketing department or advertising agency creates, as opposed to the firm's total strategy. Or as John Bissell put it in a *BrandWeek* magazine article, "It is clear that a big marketing budget is no substitute for a lack of a marketing strategy. That's a fact that's too often ignored."[3]

Enormous opportunity exists for most organizations to enhance their brand equity if all stakeholders (employees, agents, vendors, and outside professionals) who work for the entity could

FIGURE 1–2

BRANDS IGNORED AS STRATEGIC ASSETS

Brands are not being treated as strategic corporate assets, according to results from a study by Kuczmarski & Associates, Chicago.

"The brand mismanagement among all companies was a surprise even to us."

▼

– More than 60% of the companies had no contingency plans.

– 56% said they did not measure brand value.

– 33% did not have formal, long-term brand strategies.

truly understand the BrandMindset. When organizations embrace the concept of thinking like a brand, everything they do—every product, service, and customer interaction—is analyzed to determine whether it is fulfilling the brand's goal. As indicated in Figure 1-3, the idea is to harness a brand's energy so that it adds to overall equity. Brands like Starbucks, Hard Rock Cafe, and Tiffany provide good examples of this. Historically, Starbucks, as a business, has not been a big player in the overall world production of coffee; however, its brand arguably makes a bigger contribution to its overall corporate equity than any other coffee brand.

It's important to avoid confusing size with brand equity. Although size can be important, the Starbucks brand has been a significant factor in its success from the beginning of Howard Schultz's leadership. The ability to leverage a brand relates directly to its distinctiveness from other competitors in the mind of the consumer. Also, brand leverage does not necessarily depend on a large media budget. Tiffany, Starbucks, and Hard Rock Cafe have all built national and international brands with relatively

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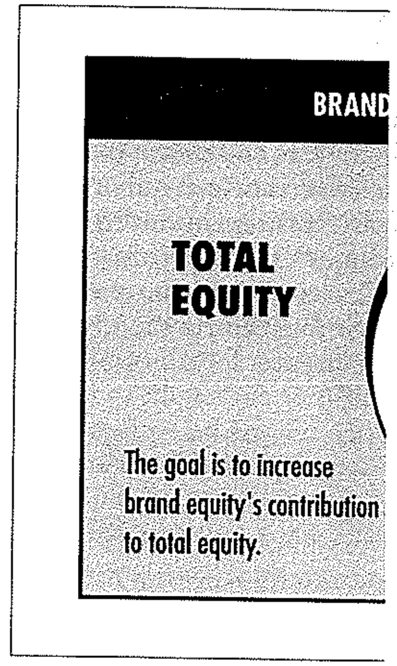

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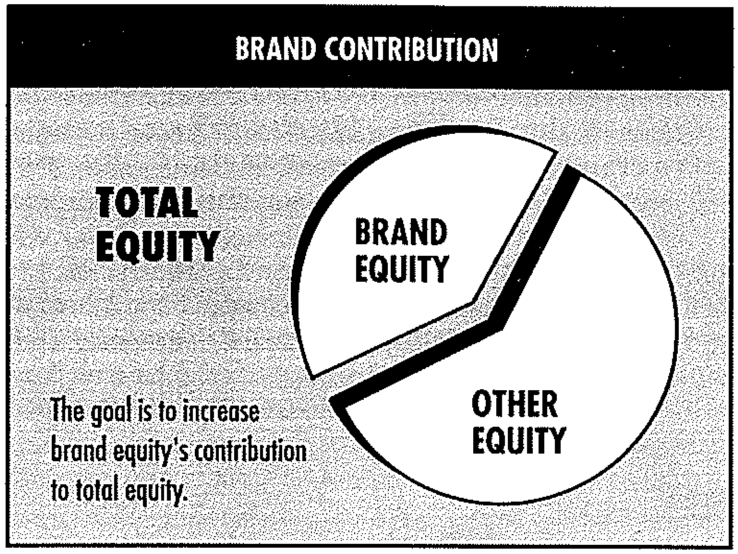

little media advertising. In Chapter 7, the section called Brand Alliances, we will discuss in greater detail how Starbucks has leveraged its brand equity.

The real question is: Are you ready to leverage *your* brand and significantly grow your total equity?

WHAT IS A BRAND?

It seems that everyone is talking about brand this and brand that. *Brand* is becoming one of the most popular words used today. But when you ask any group of people what a brand is, the answers vary widely. Some think a brand is a name or a trademark. Some think it is a product, or even a commitment. Essentially, all of these could be correct.

Our interviews and discussions with thousands of executives, employees, entrepreneurs, and the general public reveal that when most people use the word *brand*, they are thinking brand *name*.

The *Random House Dictionary of the English Language* defines brand name as a "product or service bearing a widely known brand name." Brand names are really the most familiar representations of brands. We see them on a daily basis. As the definitions in Figure 1-4 indicate, the key aspect regarding brand names is familiarity.

But as you can also see, just because a brand name is familiar does not ensure that it will be *distinctive*. A brand name is not necessarily a brand! As Stephen Dunphy, business editor for *The Seattle Times*, says, "Brand does not mean the same thing to everybody; some organizations get the concept and many don't." According to Dunphy, the key is whether an organization "walks the talk" and really understands the necessity for a brand to be distinctive in a manner that's beneficial to its customer. In fact, it could be argued that many brand names might be well-known, yet not all that distinctive in the consumer's mind when com-

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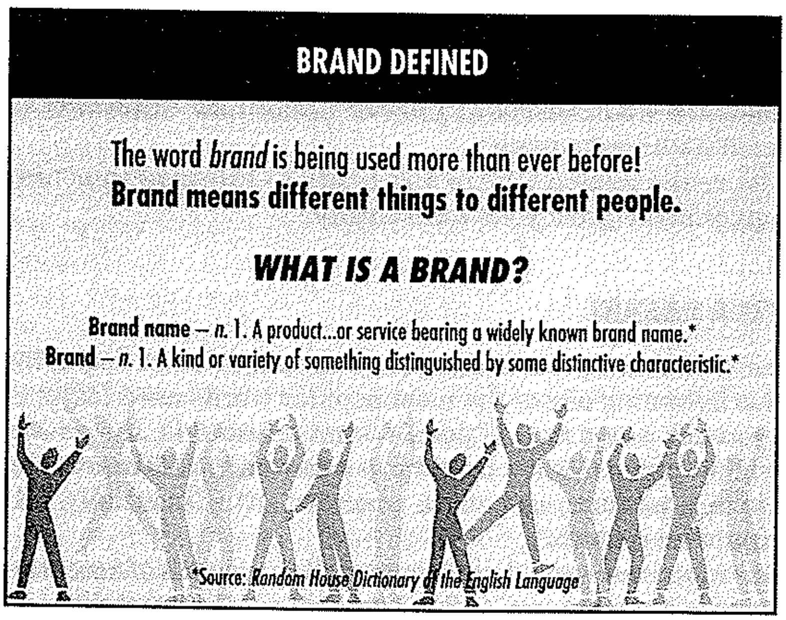

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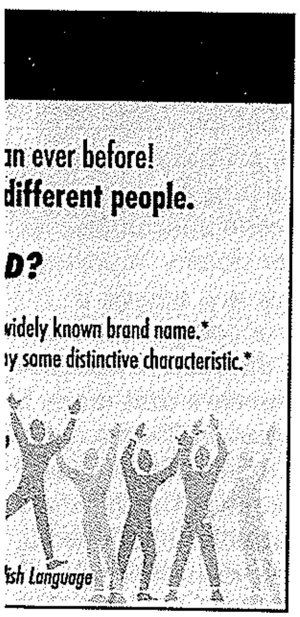


pared to other brand names in their industry. Examine the following brand names and consider whether any of them are perceived as unique:

- Merrill Lynch, T. Rowe Price, Piper Jaffrey—securities firms
- Prudential, New York Life, Metlife—life insurance
- Blue Cross, Blue Shield, Principal—health insurance
- Florsheim, Johnston & Murphy—shoes
- MCI, Sprint, WorldCom – long distance providers

In order to be a brand, a product or service must be characterized by a distinctive attribute in the consumer's mind.

WHAT IS A GENUINE BRAND?

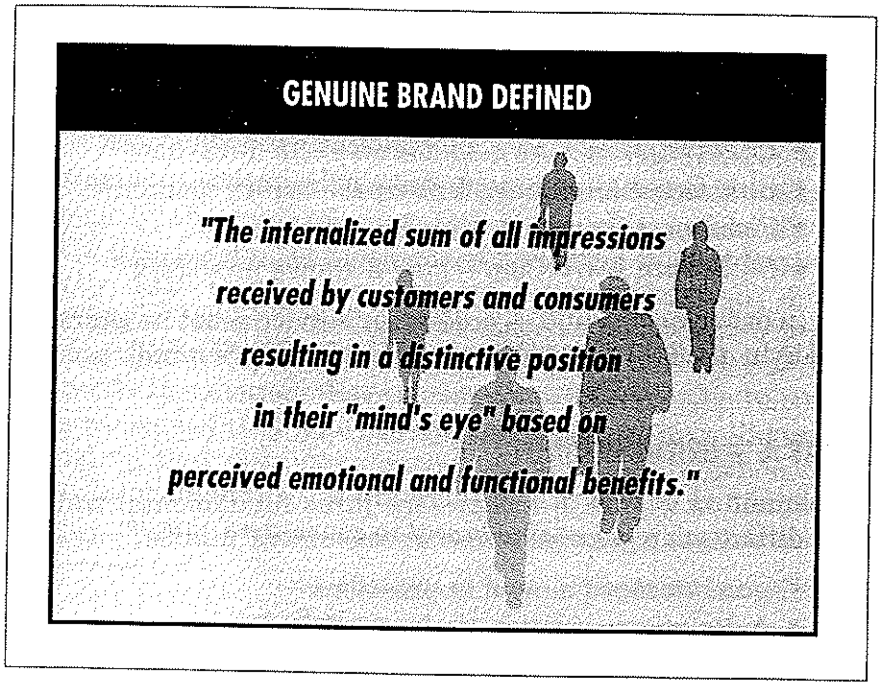
As explained in Figure 1-5, there are three fundamental traits that differentiate a *genuine brand* in consumers' minds:

- The *internalized* sum of impressions
- A *distinctive* position in their mind's eye
- Perceived *functional* and *emotional* benefits

It is critical to understand that brands are not simply the result of the advertising or messages that an organization places in the marketplace. At the end of the day, a brand is only that which is perceived in the consumer's mind, or what we denote as the mind's eye. The consumer's mind's eye is influenced by thousands of impressions daily and changes just as often. Not only must a brand monitor its impressions constantly, it also has to occupy a distinctive position in the consumer's mind to really be a brand.

The less distinctive or different a brand is in the consumer's mind, the more room for competitors to occupy a position in the mind's eye, and the less genuine a brand becomes. The easiest way to visualize the difference between brand names, brands, and genuine brands is to look at them on a continuum that compares relative distinctiveness (see Figure 1-6). The more distinctive a brand becomes in the consumer's mind, the closer it approaches the definition of a genuine brand.

FIGURE 1–5



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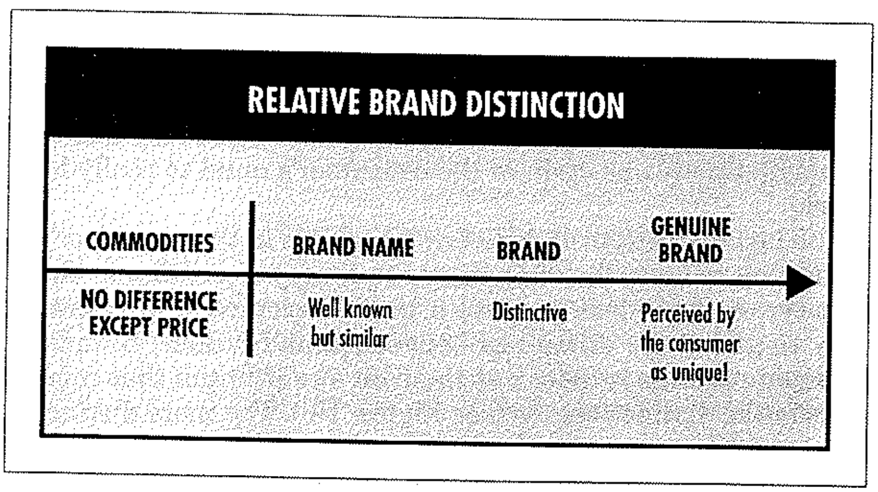

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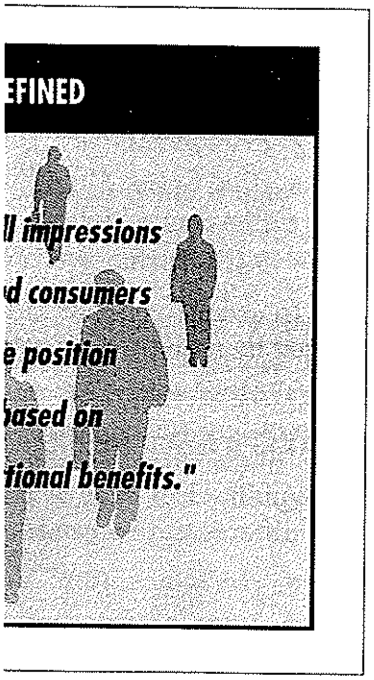

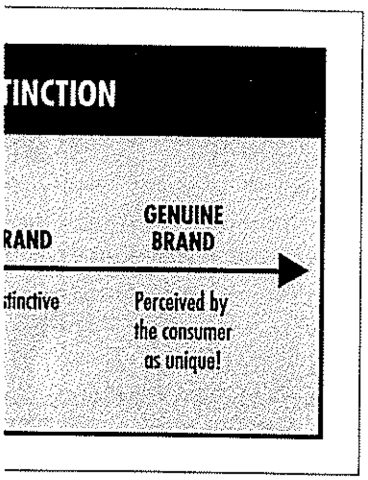

Genuine Brands Exist to Add Value

The primary objective of genuine brands should be to add value to people's lives. A genuine brand is about benefiting the customer, and the more differentiated a brand is, the easier it is to communicate efficiently with the consumer.

Hence, differentiation needs to be focused on the benefits to consumers, as opposed to the production process related to the product or service. All too often, an organization focuses the majority of its attention on getting the sale instead of on inspiring confidence in the purchase decision and delivering use satisfaction from the enjoyment of the product or service. However, a genuine brand provides value or positive brand equity to its customers, as Figure 1-7 indicates.

Consider the last time you returned a product to a store for a refund or called your telephone company or software company to get help. Did you enjoy the experience, or did you experience anxiety? Did you feel as good about the return experience as you felt about the initial purchase? Did you feel welcomed by the service associate? Was that person interested in your problem or his?

It's always interesting how quickly a purchase charge appears on a credit card statement and how slowly (or not at all) the refund credit appears. As T. Scott Gross aptly observed in a recent *Design Forum / Ideations* newsletter article, "No one likes to be sold, but everyone likes to feel served."[4]

The primary concern of consumers today is "What's in it for me?" The processes involved and the size of the brand mean nothing to a consumer unless it communicates a clear benefit that the consumer deems important. It seems so obvious that consumers want to know what's in it for them, yet every day, hundreds of millions of dollars are wasted on advertising that doesn't communicate a distinctive benefit that is important to consumers.

It appears that many brand names, when compared to their competition, suffer from a lack of a distinctive position. They float along in a "sea of sameness." Next time you visit an antique shop, look at some of the old signs or posters for brands. You'll discover that a brand's value used to be synonymous with its unique and distinctive characteristics. Take Eagle Claw Hooks as an example, depicted in Figure 1-8. From the clawlike graphic design of the

FIGURE 1–7

BRAND EQUITY

PROVIDES VALUE TO CUSTOMERS BY ENHANCING THEIR:

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– Interpretation/Processing

– Confidence in the Purchase Decision

– Use Satisfaction

brand name to the tagline, "They hook and hold," every Eagle Claw package communicates the distinctive benefit to the consumer: catching fish. Eagle Claw has been communicating this distinct brand benefit since 1937.

THE BEST WAY TO BUILD A BRAND

It has long been believed that the way to build brands was to follow the F.R.E.D. model—(**F**amiliarity, **R**elevance, **E**steem, and **D**ifferentiation). The most important part of the F.R.E.D. concept was to make consumers familiar with a brand's product and service offering. While no one would argue that awareness is important, the F.R.E.D. theory reflects the World War II mentality of shortages. Hence, many organizations' preoccupation with awareness has led to a reliance on advertising as their primary market-

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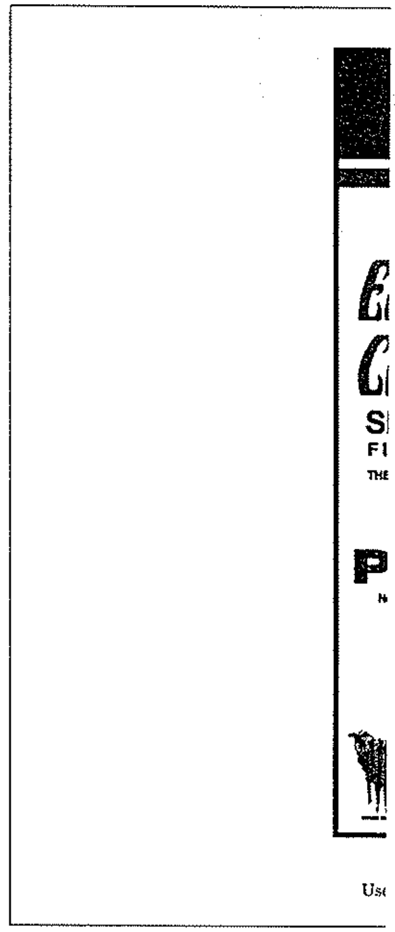
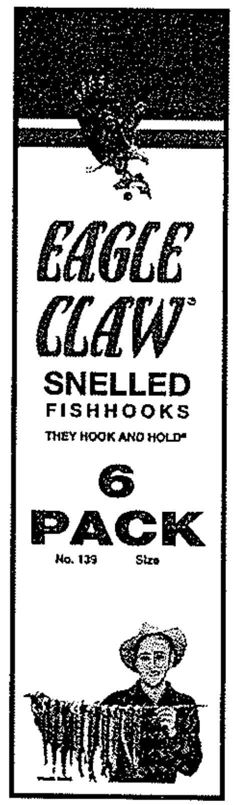


ing activity. In sharp contrast, we now live in an era characterized by an overabundance of choices. Thus the critical issue for organizations today is to differentiate their products and services in ways that consumers will appreciate and value.

Advertising agencies are paid to create messages, and they get paid a substantial portion of their fees based on the "media spend." Therefore, one would expect them to have certain media biases. This is not to say that advertising is not important, but to be effective, it should address three questions:

FIGURE 1–8



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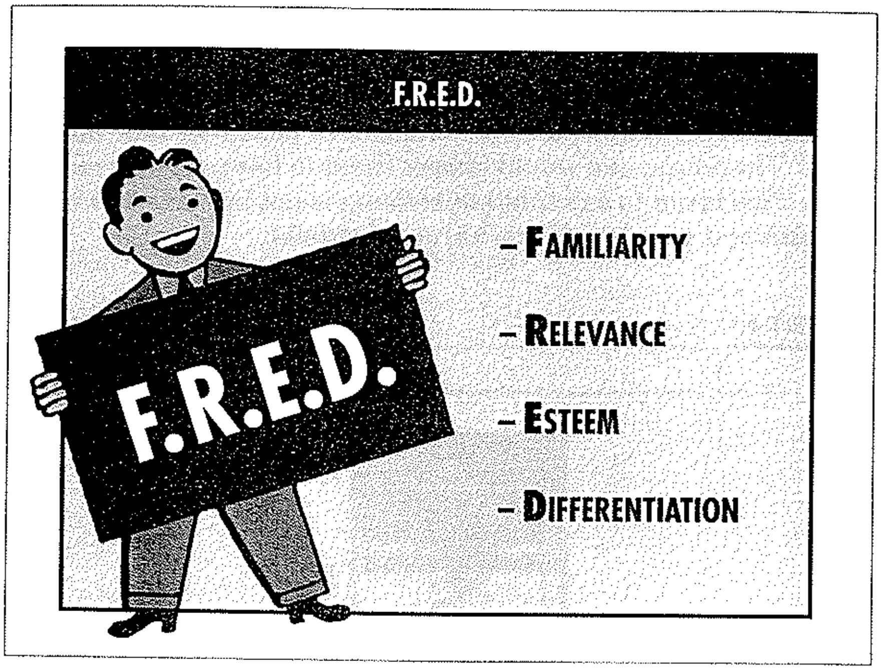

- What are the best ways to build a specific brand's image?
- How is the marketing budget directed to optimize brand equity?
- What is the distinctive benefit to be communicated to the target audience?

A brand has to do with customers' perceptions of the business and the type of service they expect. An international study by Young & Rubicam provides solid proof of how this can work. Y&R conducted a survey of 13,000 brands among 95,000 consumers around the world, the largest and most complete survey of its kind. The research study, called BrandAsset® Valuator (BVA), which began in 1993, gives Y&R strategic insight into the strengths and weaknesses of a client's brand. This research tool demonstrates that a brand's strength is primarily built through differentiation and relevance. In lay terms, that means a brand needs to be different from other similar products and relevant to

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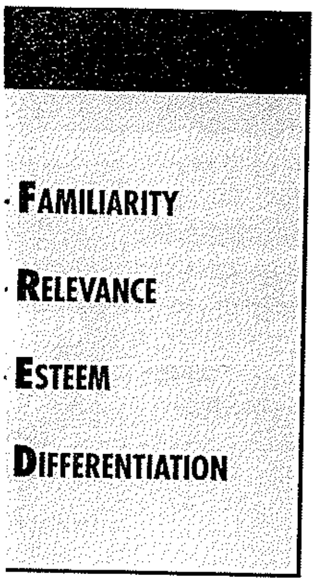

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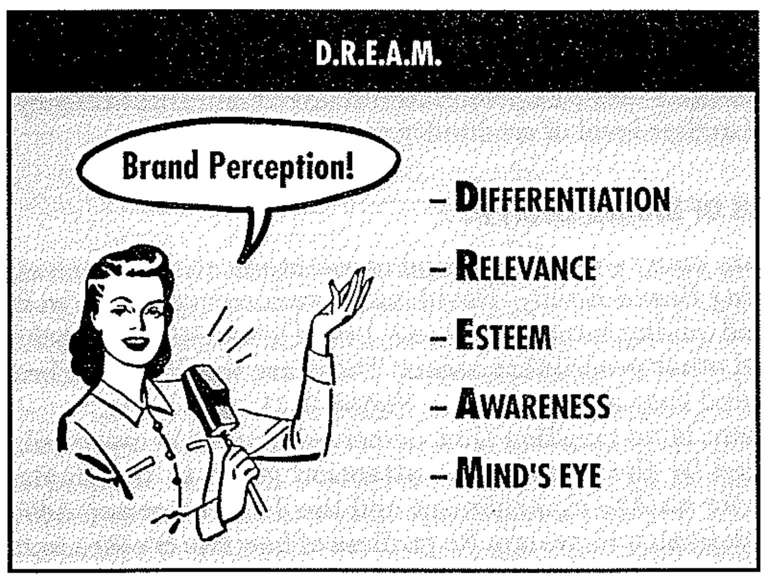
consumers' lives. Knowing this, companies differentiate their brands even if they exist in a commodity market: by providing better quality, value, and most important, customer service.[5]

In today's global marketplace, companies with successful brands understand what business they are in. They know that first and foremost, they are in the service business. Meeting customer service expectations will be the defining factor in distinguishing their brand from the competitors' in the eyes and minds of consumers.

Instead of F.R.E.D., the brand-building mindset should be D.R.E.A.M., as indicated in Figure 1-10. Differentiation should be the first step if a brand is to cut through the clutter in the marketplace and occupy a distinctive position in a target audience's mind. We substituted awareness for familiarity since most experts recognize "unaided/aided" awareness as one of the strengths of a brand's equity. We also believe these attributes are

FIGURE 1–10



only as good as the consumer's perception of them, and how firmly positioned they are in what we call the consumer's mind's eye, the mental equivalent of a Rolodex® file.

Creating and building awareness, contrary to traditional marketing practices, does not necessarily require a multimillion-dollar advertising campaign. In today's business environment, media channels are becoming more fragmented and costly. In order to be considered and eventually chosen, a brand must be effective at communicating its uniquely differentiated attributes in a wide variety of applications.

In a 1997 *Harvard Business Review* article, "Building Brands Without Mass Media," it was stated that for U.S.-based companies to build strong brands, they could take a lesson from their European counterparts who have faced similar "post mass-media era realities." According to the authors, the bottom line is that "managers of brands in Europe found that communication through traditional mass media has been ineffective, inefficient, and costly. As a result, many European companies have long relied on alternative communication channels to create product awareness, convey brand associations, and develop loyal customer bases."[6]

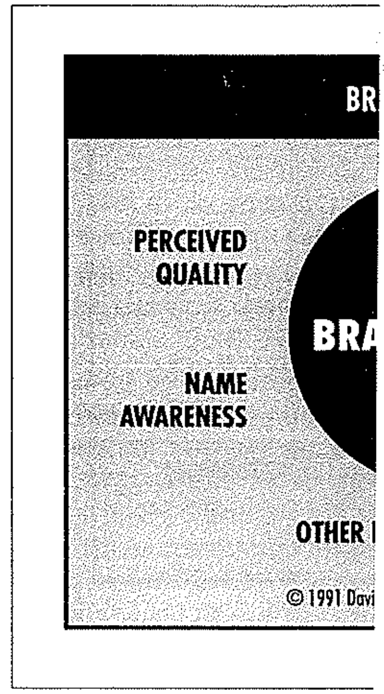
Our experience with clients reveals that when an organization has significantly differentiated its brand's products and services, public relations and other third-party endorsements can be powerful tools for building genuine brands. Not only are these methodologies less costly than media advertising, but they build a much higher level of credibility for a brand.

DRIVERS OF BRAND EQUITY

There are many ways for a brand to communicate its benefits. In *Managing Brand Equity*, David Aaker summarizes them well as perceived quality, name awareness, brand associations, brand loyalty, and other proprietary assets. These are the drivers of brand equity, and they are outlined in Figure 1-11.

There is no question that perceived quality is essential, as evidenced by the tremendous attention given to the Baldrige Awards for quality management and the J.D. Power and Associates Satisfaction Research. Regardless of how one chooses to rate perceived quality, ultimately it is only as good as the consumer perceives it.

FIGURE 1–11



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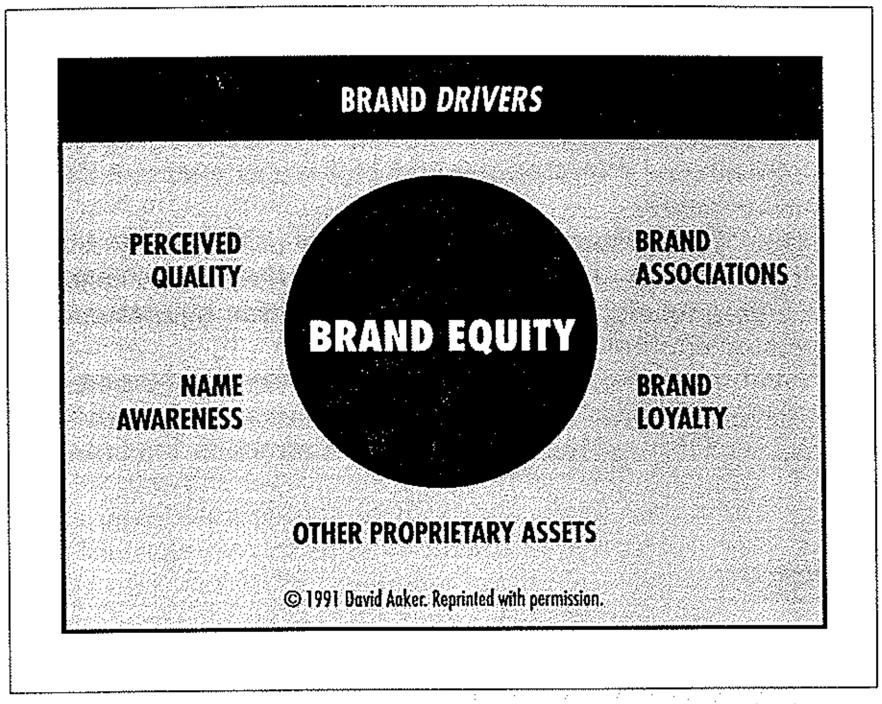


Name awareness or familiarity is also a driver of overall brand equity; however, the more differentiated the better. Awareness without differentiation produces well-known commodity brand names that can become marginally profitable, exhibit little loyalty, and become vulnerable to extinction.

Organizations are discovering the benefits of associating their brand with other images, icons, and especially other brands. Brand associations can be very helpful to consumers in their processing of information about a brand. Starbucks associated with Marriott, Nike with Michael Jordan, McDonald's with Disney, and Intel uses a distinctive audible tone to help consumers relate to their brands' products and services. The old saying, "you can tell a person by the company she keeps" applies here.

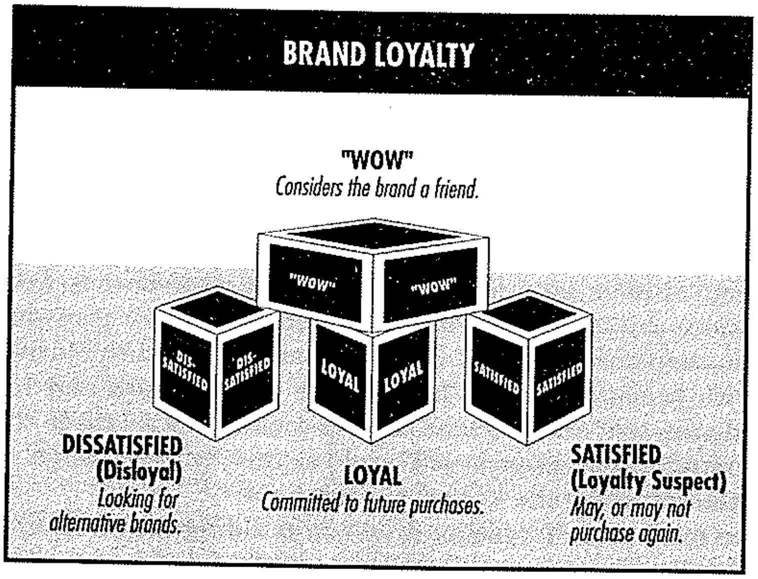
The most often forgotten driver in building brand equity is brand loyalty. There is nothing like a satisfied customer to tell a brand's story and influence others. Other proprietary assets such as patents, trademarks, and unique attributes can be very helpful as well when consumers must sift through the clutter of choices that exists in today's marketplace.

Customers can be characterized by a variety of loyalty descriptions. On any given day, a brand will likely have customers in each of the four primary loyalty segments outlined in Figure 1-12. How does a brand create *absolute* loyalty? The key is to exceed customers' expectations and pleasantly surprise them whenever possible.

One of the common misperceptions is that the way to build loyalty is to focus on future sales. Frequent flyer and customer loyalty programs are tools some brands utilize in an attempt to lock customers into future purchases.

Genuine brands, however, set as a priority to be perceived first and foremost as a "friend" to the consumers. An overwhelming focus on future sales can become a distraction for brands,

FIGURE 1–12



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THE BRANDSTRATEGY™ DOC

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- Define its essence, o
- Create a brand para
- Gain a sustainable

The overall result of th
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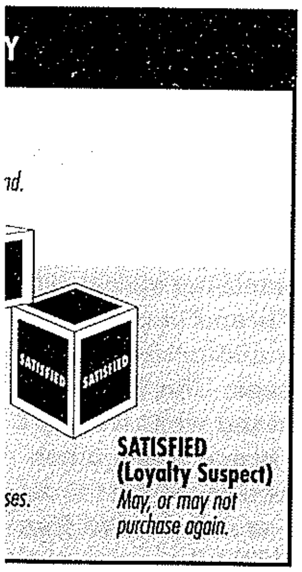


because they are buying their way to loyalty through what might be referred to as *brand bribery*.

Brand bribery exists when a particular industry becomes perceived as a commodity (i.e., relatively undifferentiated among brand choices) and characterized by lack of outstanding service or quality. Two prime examples are large domestic airlines and supermarket chains. Many brands in these industries have resorted to brand bribery in the form of "frequent customer" incentives and other promotional tactics because they have not been able to differentiate their offerings or have not become perceived as "real friends" to consumers. Brand bribery can backfire if customers feel that the "deal" may not really be a bargain or that the process is a hassle. Consumers become very unhappy when they can't use their benefits (such as free airline tickets or coupons) because of restrictions, fine print, or changes in the rules. Regarding supermarkets, privacy concerns can also become a concern for consumers. Insurance companies are all too eager to learn who's purchasing which medications, alcoholic beverages, and over-the-counter vitamins or health supplements, such as St. John's wort. Rewarding customer loyalty is a wonderful strategy, but it should not be the only reason customers return.

THE BRANDSTRATEGY™ DOCTRINE PROCESS*

Our process for developing a genuine brand is called the BrandStrategy™ Doctrine and is shown in Figure 1-13. The BrandStrategy Doctrine (*doctrine*) is the comprehensive action plan utilized by an organization to:

- Define its essence, or BrandPromise™
- Create a brand paradigm shift, i.e., become distinctive
- Gain a sustainable competitive advantage

The overall result of this doctrine should be to optimize the organization's brand equity. The *doctrine* process is further explained in Chapter 2, and each step in the process is developed in significant detail in subsequent chapters.

*For readability and case of reference, the BrandStrategy™ Doctrine is sometimes referred to as the *doctrine*.

FIGURE 1–13

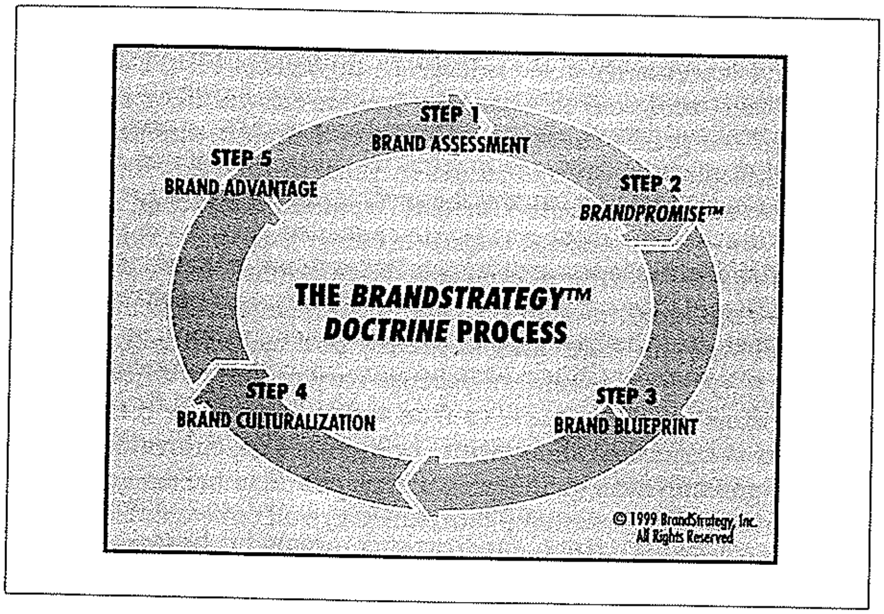
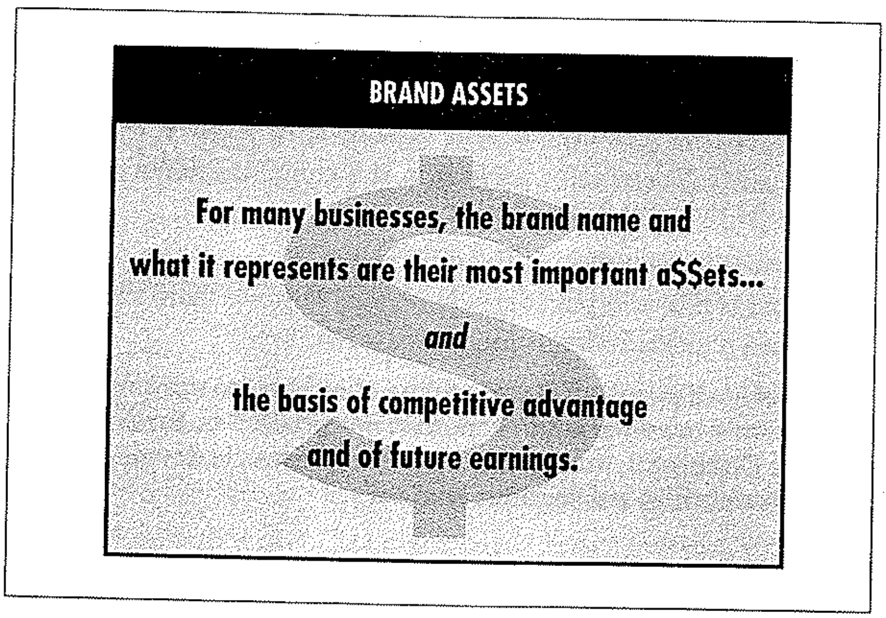


FIGURE 1–14



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provides more insight into

BRAND PARADIGM SHIFTS

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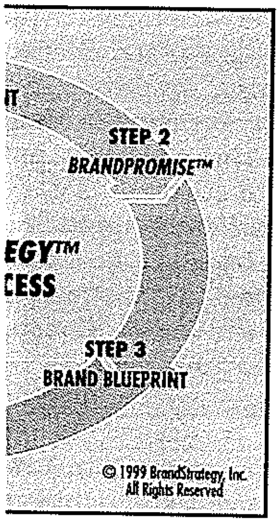
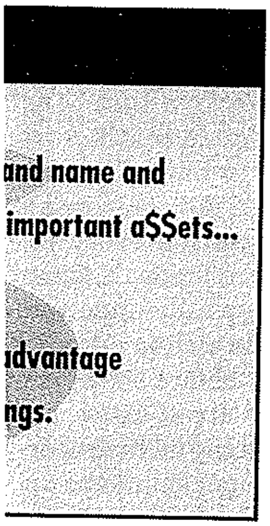




Now that we understand the fundamentals of thinking like a brand and the imperative need to focus on brand equity, how does an organization measure brand equity? There are many ways to measure brand equity, and it seems there are as many methods as there are organizations that calculate brand equity. A consistent methodology can be applied to determine, measure, and monitor brand equity, based on the cumulative results gathered from a number of relevant core factors, such as:

- Price leadership
- Perceived quality
- Visual imagery (personality)
- Trust (admiration and esteem)
- Awareness
- Market share
- Intent to purchase (conversion)
- Satisfaction

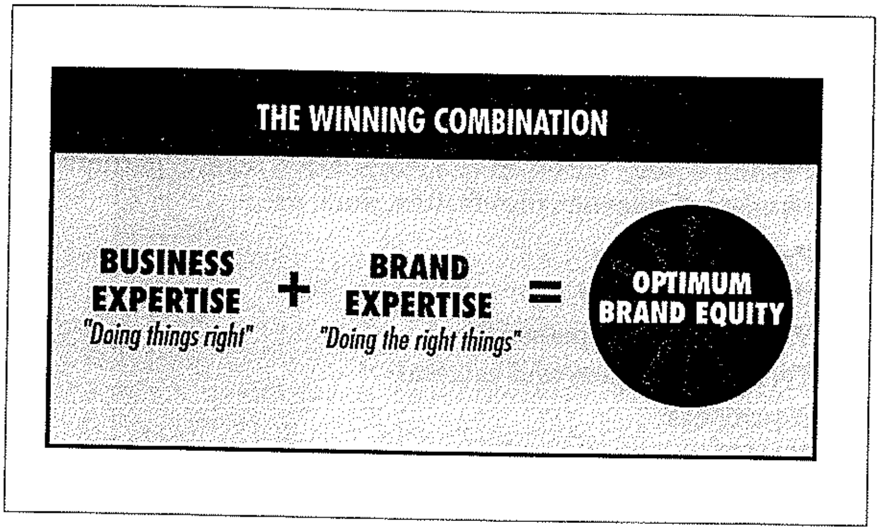
Once an organization has decided which brand equity measurements to track, it is equally important to decide how to communicate them. For instance, some very successful brands internally report their brand equity results on the monthly financial statements, with a prominence equal to net earnings. Chapter 6, under the heading Establishing Brand Equity Goals, provides more insight into this subject.

BRAND PARADIGM SHIFTS

A significant part of the BrandMindset concept is understanding the idea of a paradigm shift. A paradigm is a model or formula for how something operates or works. When an organization can create or "brand" a paradigm shift in its business, the result can be a more distinctive brand perception and enormous competitive advantage. The first step in the paradigm shift approach is to understand what we call the "winning combination."

A brand has a much better chance for success if it can embrace two concepts: (1) doing things right and (2) doing the right things as indicated in Figure 1-15. Many excellent businesses do things right, i.e., execute the fundamentals of their business well.

FIGURE 1–15



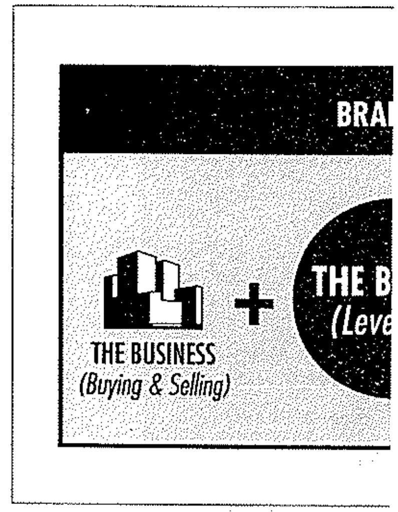
However, unless they also understand the right things to do, i.e., understand and execute a BrandMindset, they may not achieve genuine brand status over the long term. There are five fundamental brand paradigm shifts that can be utilized by organizations to develop a more distinctive perception and enhance their brand equity. They include brand leverage, brand discipline, brand playing field, brand focus, and brand value.

Brand Leverage

The traditional point of view is that if you're good at what you do, that's enough. Every organization buys and sells some combination of products and services and "doing it right" is required, but that may not be enough to become a genuine brand. Your competition may run their business as well as you do and also utilize the brand leveraging depicted in Figure 1-16.

At the beginning of every day, CEOs who practice the BrandMindset lead their organizations with two primary objectives: exceptional operation of the business and maximum leverage of brand equity.

FIGURE 1–16



Brand Discipline

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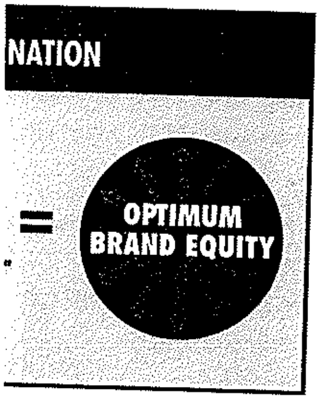

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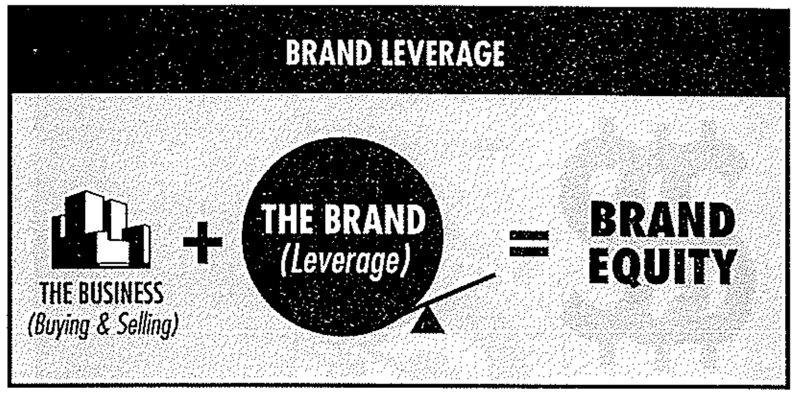
FIGURE 1–16



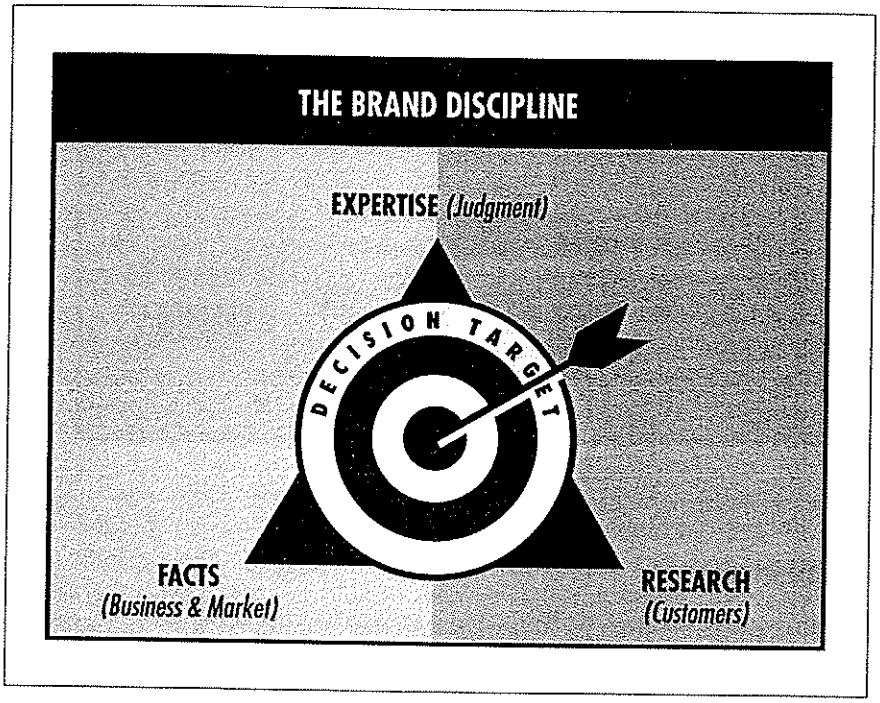
Brand Discipline

Most decisions on a daily basis are made based on the "O" word: opinions. If business opinions are well informed, the organization may, with hope, succeed. All too often, however, decisions are based on opinions that do not accurately reflect an objective evaluation of the brand's situation at hand.

The marketplace changes so rapidly that it is essential to have information that is accurate, current, relevant, and objective in order to reach correct conclusions. In addition, it is all important to have consumer and customer input. Ask yourself, "Who sits in the consumer's chair and represents the customer's viewpoint during every meeting?" Especially when important decisions are made, it is essential to test proposed changes with customers to fully understand the impact on a brand.

Why do airline pilots run through a preflight checklist *every single time* before they depart? It's because there is no room for error. Lives are at stake. It is essential to the success of the flight that everything be in proper working order and "done by the book." The same rigor should be applied to every brand decision. A brand discipline checklist should be completed for every decision in which the life of a brand is at stake.

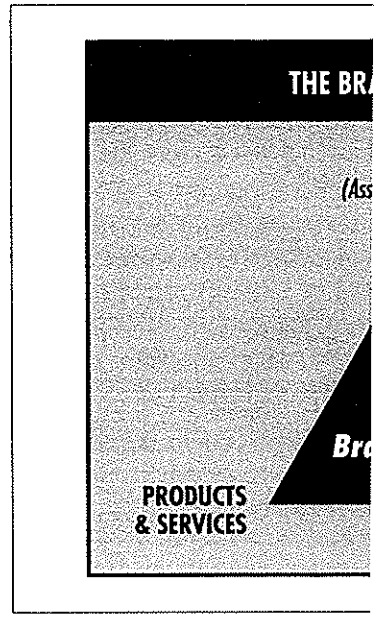
FIGURE 1–17



Brand Playing Field

The majority of most organizations' time is involved discussing or analyzing the product or process part of the business. This narrow focus is the reason genuine brands can upset and capture a marketplace so rapidly. Consider Federal Express; they have been so successful they have even changed their name to FedEx. They have utilized the BrandMindset by focusing their brand on the entire playing field, not just products or processes. Most organizations pay the lowest wage to their associates who service the customers. By design, this was not how FedEx built its brand. Prior to the existence of FedEx, the place to go for shipping packages overnight was the nearest airport. FedEx turned the tables and changed the playing field. It brought the "airport" to the customer. Today, you can find a FedEx drop-box in thousands of loca-

FIGURE 1–18



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Brand Focus

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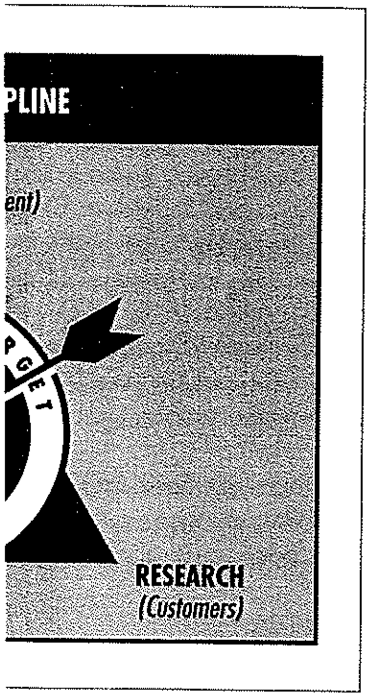

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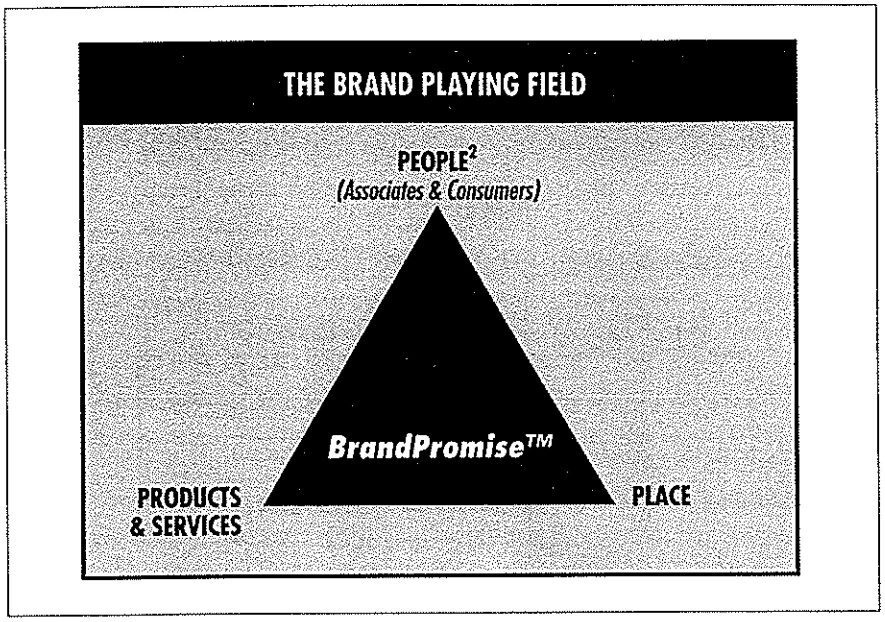
FIGURE 1–18

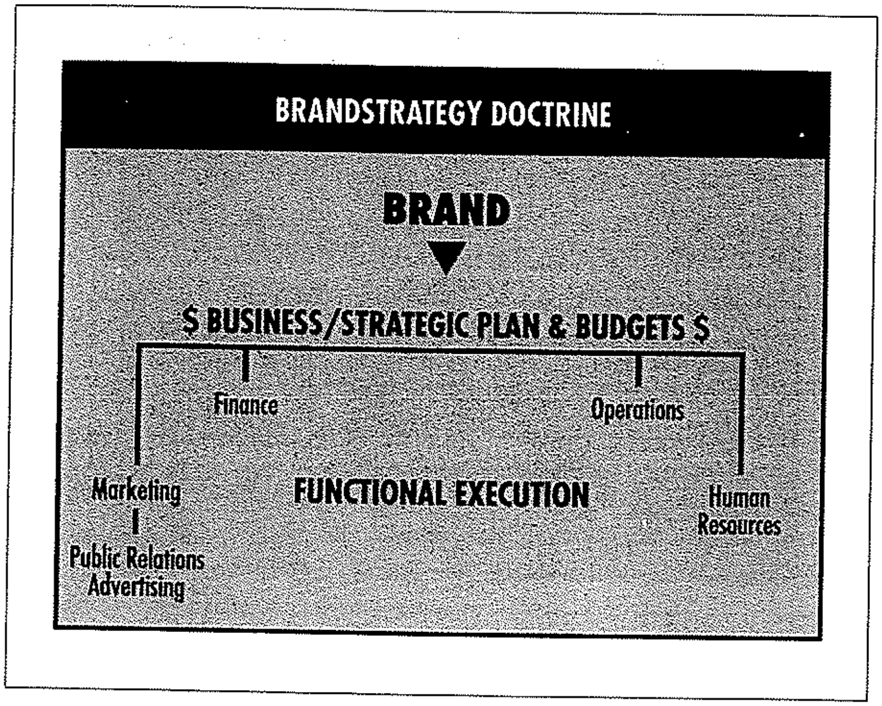


tions, from street corners and office buildings to hotels and, yes, every Kinko's®. FedEx picks up and delivers! Moreover, some 18,000 customers a day navigate their own way via FedEx's Website. FedEx believes a good line of products is the entry fee to compete, but their service, i.e., "immediate gratification," is what their brand is all about. FedEx is more than just a business with a brand name. FedEx has become synonymous with overnight satisfaction. When consumers really want to be sure a package is going to be received, they say, "FedEx it."

Brand Focus

The traditional business approach has been to create a business plan or even a strategic plan that drives the budgets, which in turn fund an organization's activities. On the contrary, it is essential for the BrandStrategy doctrine to drive all the organization's activities as well as the business plan and then the budgets, not the other way around (see Figure 1-19). In too many

FIGURE 1–19



cases, anything that has to do with brand has been relegated to marketing or advertising.

An organization's leadership and executive team must direct and own this *doctrine*. Marketing's primary function, among other responsibilities, is to communicate the desired brand perception using the appropriate messages and mediums.

Brand Value

When the subject of value comes up today, *price* always seems to be the term at the forefront of the conversation. Traditional marketing methods have examined the price/value relationship in terms of dollars paid. Many marketers believe that customers perceive value to mean lowest price. Lowest price is also interpreted to mean frequent sales and promotional discounts. But a marketing position of lowest price is the most difficult to sustain,

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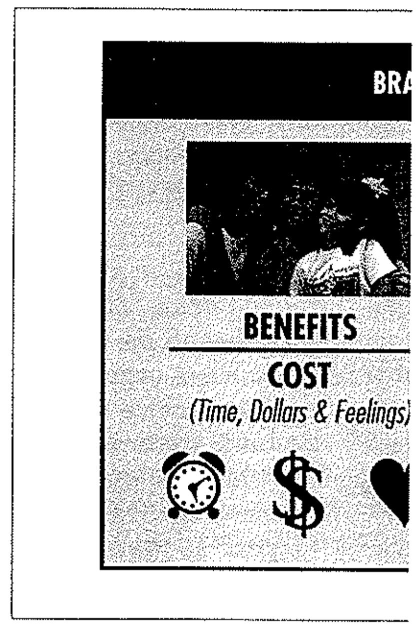

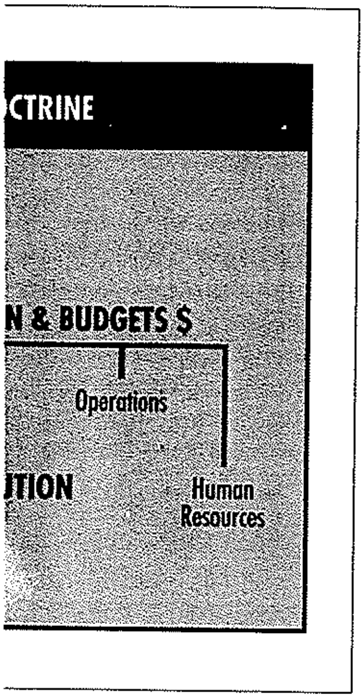

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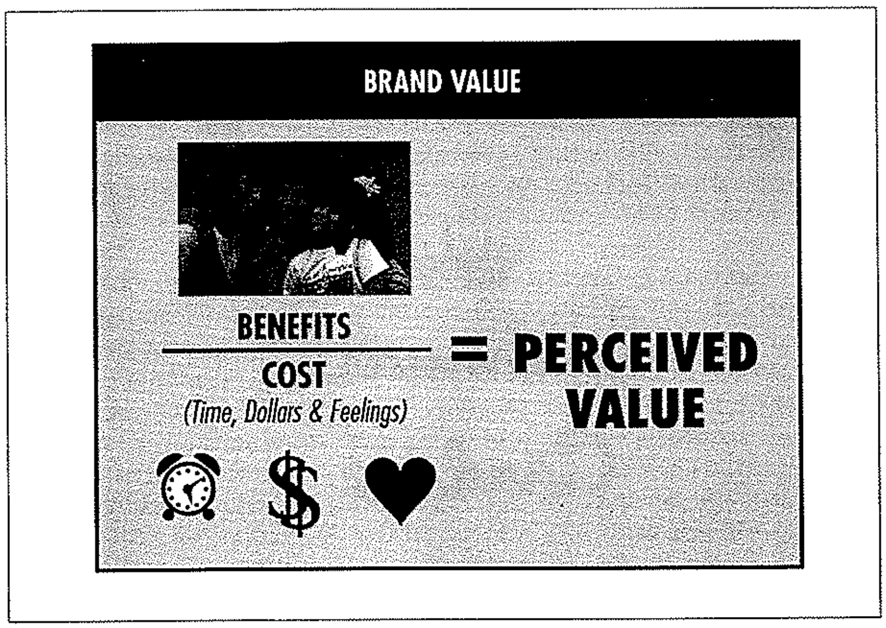
and it usually is an indication that the brand or organization has become a commodity in the minds of consumers. Commodities generally have no distinct point of differentiation except price. Customers looking for the lowest price tend to be loyal to the price, not the brand.

Consumers perceive that they pay in three important ways: time, money, and feelings, as shown in Figure 1-20. Many consumers today are saying their most precious resource is time. Brands that understand this concept are careful to develop and deliver *promises* that reflect what consumers value. As a result, genuine brands enjoy increased profitability, more customer loyalty, and enhanced brand equity when customers perceive that a brand consistently delivers value.

The following profile features Hallmark Cards, one of the really great organizations that thinks like a brand. It's interesting to note that J.C. Hall, the founder of Hallmark, and Walt Disney became friends and business associates during Disney's early career in Kansas City. These visionaries clearly understood the fundamentals of creating genuine brands.

FIGURE 1–20



BRAND PROFILE

HALLMARK*

"When You Care Enough" to Expect the Best, You Become a Genuine Brand

The Hallmark brand phenomenon began in 1910 when company founder Joyce C. Hall started selling postcards out of a Kansas City, Missouri, YMCA room. From the company's inception through today, Hallmark has consistently stood for two things: *helping people show they care* and *excellence*. In 1928, Hall was intrigued by something he read: A fourteenth-century London goldsmith named Hall used a "hall mark" to guarantee the purity of every gold and silver article made. To better connote quality, this led Hall to change the name of his company from Hall Brothers to Hallmark.

Despite a lack of enthusiasm from advertising agencies, Hallmark was the first company to brand greeting cards. In 1938, the Tony Wons radio shows urged listeners to look for the Hallmark name on the back of the card. Interestingly, Hallmark returned to that brand insistence campaign in the late 1990s with its EFFIE-winning print and television ad campaign that invited consumers to "sneak a peek" at the back of the cards they receive, looking for the Hallmark logo.

Hallmark president and CEO Irv Hockaday stated in a 1998 *BrandWeek* magazine interview, "You have to decide what your promise and deliverable can be... once a key connection with consumers is made, brands can go from being ones that consumers prefer to one that they *insist* on."

FIGURE 1–21

*Information provided by Hallmark Cards, Inc. and used with permission.

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used with permission.

In 1944, Hall introduced a slogan that would promote the brand name and emphasize quality. Since then, Hallmark's slogan has been *When you care enough to send the very best.* Today, it is one of the nation's most recognized slogans as well as a business commitment.

In 1951, Hallmark created the *Hallmark Hall of Fame* television series. It is the longest-running television series in history, with approximately 200 dramatic presentations by the end of 1998. Again, this was done to associate the Hallmark name with quality. Hall said, "We wanted shows that would not only be top entertainment but top quality as well."

The formula worked and the shows have received nearly 80 Emmys. With 34 percent of the viewing audience, the 1997 *Hallmark Hall of Fame* presentation "What the Deaf Man Heard" became the most-watched original drama on television since the 1991 *Hallmark Hall of Fame* presentation of "Sarah Plain and Tall."

A recent Conference Board study, "Managing the Corporate Brand," indicates that a distinctive corporate culture serving as a foundation for the brand promise is a key success factor for companies with strong brands.

Hallmark's Beliefs and Values statement delineates standards for the organization and can be seen at almost every desk and workstation throughout the company. It begins by asserting, "We believe that our products and services must enrich people's lives and enhance their relationships." It continues by declaring that one of the values that guides the company is "excellence in all we do."

Hallmark's creative community of more than 700 people is further guided by the Product Concept statement, which says "At Hallmark, we create products that help people capture their emotions and share them with one another. After a century, this is what we do best; and we are still dedicated to creating the very best." In addition, Hallmark employees are given a daily planner page finder with Hallmark's brand promise on it along with a list of those actions that drive Hallmark's brand equity.

Brad VanAuken, Hallmark's director of brand management and marketing from 1995 to 1998, indicates that Hallmark "builds a brand strategy component into virtually every employee training program and integrates the brand essence and promise throughout internal communication vehicles." Furthermore, he says, "Hallmark has adopted a brand equity model that helps focus the organization's efforts on those activities that can best create consumer insistence for the Hallmark brand."

Total Research Corporation of Princeton, New Jersey, studies brand equity performance among the major brands in the United States. Through its EquiTrend ranking of brand equity, it has surveyed consumer perceptions of the quality associated with America's primary brands since 1990. Each brand's "quality score" is measured on a 10-point scale. Hallmark achieved a score of 8.33 in the 1997 survey, one of only 21 companies of the 282 brands studied to achieve a score of 8.0 or higher. The ranking places Hallmark alongside such elite brands as Kodak and Disney. According to VanAuken, the EquiTrend study is "a measure of not only how well consumers recognize a brand, but also of their positive feelings about the brand's quality."

Consistently communicating and delivering upon Hallmark's promise of helping people show they care through the very best quality products not only translates to strong brand equity but also to exceptional retail sales performance. The Hallmark Gold Crown network of stores has achieved a consistent month-to-month sales increase for well over four years.

By consistently living its original brand promise and enjoying an inherent knack for how to build genuine brand equity, Hallmark has created a deeply embedded positive impression in the collective mind of the American consumer. Like a coat of arms passed down from generation to generation, current Hallmark personnel have inherited a valuable symbol—the Hallmark crown—and a brand that carries a clear, uniquely differentiated, and consistently positive meaning to the consumer.

This is no small legacy. If Hallmark continues to "live the brand" and execute its communications consistent with its established values and proven formula, the future success of its brand is indisputable.

ACTION GUIDE

THE BRANDMINDSET®

- Most of the time, an organization's brand is not contributing as much as it could to overall brand equity for an organization.
- Brand names are not necessarily brands because they may not be perceived as truly distinctive in the mind's eye of the customer.
- A genuine brand is the internalized sum of all impressions received by customers and consumers, which results in a *distinctive* position in their mind's eye based on perceived emotional and functional benefits.
- If a brand is to be *genuine* and truly successful, the organization must learn to "think like a brand." It is not enough to just have good products or innovative services.

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- When organizations embrace the concept of thinking like a brand, everything they do—every product, service, and customer interaction—is analyzed to determine whether it is fulfilling the brand's promise.
- A brand may not achieve success unless it embraces the twin principles of doing things right (business expertise) and doing the right thing (brand expertise).
- The pursuit of awareness by traditional marketing managers has caused organizations to overlook the fundamental brand requirement to be perceived as different or distinctive in the mind's eye of the target audience.
- A genuine brand creates paradigm shifts by:

  Leveraging the brand
  Following a disciplined brand process
  Utilizing the entire brand playing field
  Creating brand value for the customer
  Using the BrandStrategy Doctrine to drive the business and budgets
  Consistently focusing on the brand

CHAPTEF

An Intro the Bran Doctrine

The Roadma

Discipline is the soul of a dable, procures success tc
—George Washington

THE BRANDSTRATEGY DOCT

In Chapter 1, we introduced and our recommended proc The BrandStrategy Doctrir results in a written brand a steps:

- Assessing the brand' prospects
- Developing the Bran
- Creating the Brand
- Finalizing a Brand (BrandStrategy Doct
- Establishing Brand